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MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

July 1, 1936

RECEIVED

Vol. 16, No. 27

COMMODITY EXCHANGE CONTROL HEARINGS ARE SCHEDULED

★ JUL 10 1936 ★
U. S. Department of Agriculture

Public hearings incident to the promulgation of rules and regulations under the Commodity Exchange Act will be held by the Department of Agriculture in late July and early August at Chicago, Minneapolis, Kansas City, New Orleans, and New York.

The Commodity Exchange Act was passed during the closing days of the 74th Congress. It broadens the scope of the Grain Futures Act to include cotton, rice, mill feeds, butter, eggs, and Irish potatoes, in addition to grain. The Grain Futures Administration will be known hereafter as the Commodity Exchange Administration.

The new law becomes effective September 13. Meanwhile, the Commodity Exchange Administration will designate various cotton and mercantile exchanges as contract markets, and register futures commission merchants and floor brokers, as required by the Act.

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"SUNBURNED" CALVES PENALIZED ON MARKETS

Complaints that farmers are shipping "sunburned" veal calves are being made by livestock buyers on terminal markets. Farmers must take less money for these animals, it is stated, since consumers do not want sunburned veal. Marketing specialists C. W. Hammans of Ohio State University says that calves which are exposed to the sun actually are sunburned so that the meat appears red when the calves are slaughtered. This appearance may not injure the food value, but it does prevent consumers from buying the veal, says Hammans.

This Ohio marketing specialist points out also that hot weather affects the size of meat cuts which consumers will buy, and that calves weighing from 150 to 175 pounds are most likely to bring top prices during this period. After July and August, calves that weigh 175 to 200 pounds will again bring good prices, he says.

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NORTH DAKOTA STUDIES EGG PRODUCTION COSTS

North Dakota Agricultural College has found in a study of egg production costs that production of from 80 to 90 eggs per year is required to pay the feed bill for the average North Dakota hen. Not until the bird's production has passed this point does the hen begin to yield a profit, it is stated. The average yearly egg production per bird in North Dakota is about 80 eggs. The college advises marketing birds after they go out of production in the spring.

FEDERAL TOBACCO INSPECTION
ORDERED IN AUCTION MARKETS

Mandatory tobacco inspection service at 13 auction tobacco markets in Virginia, Kentucky, and Tennessee has been ordered by Secretary Wallace under authority of the Tobacco Inspection Act, enacted by Congress in 1935. Action of the Secretary in extending tobacco inspection and tobacco price reporting service is a result of referendums held among growers supplying these markets to determine whether they desired the service. About 95 percent of the votes cast in these referendums favored the service.

The markets designated by the Secretary are all located in fire-cured and dark air-cured tobacco producing areas. A similar referendum is in progress in tobacco markets in North Carolina. Growers served by markets in South Carolina have endorsed the service in referendums just completed.

The service covers the inspection and certifying as to grade of each lot of tobacco before it is offered for sale at auction on the designated markets. It is expected to prevent losses by growers resulting from the sale of tobacco at prices below current values.

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MANY STATES TO TEST
COTTON IN ROAD BUILDING

The Agricultural Adjustment Administration has received requests for cotton fabric and cotton mats to be used in tests of new uses of cotton in highway construction by 32 States. The project is being financed with funds made available by section 32 of the amendments to the Agricultural Adjustment Act, approved last August. This section makes available to the Secretary of Agriculture an amount equal to 30 percent of the customs receipts for uses which include the encouragement of domestic consumption of agricultural commodities by diverting them from normal channels of trade to new uses.

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ECONOMICS BUREAU LISTS
REPORTS AND SERVICES

A new list of economic reports and services of the Bureau of Agricultural Economics has been issued by that bureau. It tells how the bureau's various reports - crop and livestock estimates; market news reports; foreign agricultural information; situation, outlook, prospect, income, and price reports; and reports on technical research and special studies - are prepared and distributed. It lists the places where these reports may be obtained, and describes briefly the scope of each report. The bureau's standardization and inspection services also are described. Copies of the list may be obtained from the Bureau of Agricultural Economics, Washington, D. C.

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FARM INCOME for May was the highest for the month since 1930. It brought the total for the first five months of this year to \$2,638,-000,000 compared with \$2,488,000,000 in the corresponding period of 1935. These figures, reported by the Bureau of Agricultural Economics, include cash income from farm marketings and government benefit payments.

FIBER FLAX PRODUCTION
PROGRAM IS LAUNCHED

A program for encouraging the production of fiber flax, designed to increase the income of producers, to afford a new use of land in adapted areas, and to maintain and increase the domestic production of a commodity now largely imported, has been announced by the AAA.

Under the program, the Secretary of Agriculture will offer to pay producers \$5 a ton on fiber flax produced in 1936 up to the normal national production of 5,063 tons. The program is open to producers in all parts of the country, but in practice it will apply mainly to the Willamette Valley of Oregon, where most of the fiber flax is produced. Other areas suitable for fiber flax production include the territory near the Great Lakes and certain areas along the Atlantic Coast. Oregon producers are reported to be establishing cooperatively-owned retting and scutching mills which will assure them an outlet for their product.

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NEW YORK TO CONTINUE
MILK ADVERTISING CAMPAIGN

The milk advertising and publicity campaign by New York Department of Agriculture and Markets will be continued this year with an appropriation of \$250,000. The appropriation last year was \$400,000.

Commissioner of Agriculture Peter G. Ten Eyck reports that the campaign is to be continued because the consumption of milk was increased during the 1935-36 campaign by 56,040,000 quarts in the New York metropolitan area as compared with the same period during the previous year.

"Recognizing improvement in economic conditions," Commissioner Ten Eyck says, "the last campaign directed the spending of additional thousands of consumer dollars in the right channel, that is for milk, a necessity, rather than for luxuries which would not return as lasting results. The milk industry will reimburse the State for the cost of this campaign."

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CALIFORNIA CAUTIONS
AGAINST POULTRY EXPANSION

California poultrymen are being cautioned by California College of Agriculture against over-expansion of their industry. In an outlook report, the college says that "several factors making for larger numbers of chickens in the United States should cause California poultrymen to proceed more slowly with flock additions."

Sales of baby chicks by California commercial hatcheries during the first quarter of 1936 closely approached those of the record years 1929 and 1930. California production of eggs was 15 to 20 percent more than in the first quarter of 1935.

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DEAL REPORTS have been issued by the Bureau of Agricultural Economics on the marketing of Florida citrus during the past season, the marketing of northwest lettuce, peas, and cauliflower, in 1935, and the marketing of potatoes in Kansas, Missouri, Arkansas, and Oklahoma, in 1935.

HOG MARKETINGS TO INCREASE

More and heavier hogs will be marketed between now and October 1 than in the corresponding period last year, the Bureau of Agricultural Economics has announced. The increased number will be the result of a large increase in pig production last fall, and the heavier weights will be due to the high prices of hogs compared with prices of corn.

Continued expansion of the hog industry is in prospect, says the bureau, depending partly upon the size of this year's corn crop. There was a marked increase in pig production this spring; present prices of corn and hogs indicate additional expansion next fall.

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AAA REPORTS ON DAIRY PRODUCTS BUYING

More than 162,000,000 pounds of price-depressing surplus dairy products were bought by the AAA from August 1933 to the end of June 1936, and made available for consumption by persons on relief. The products included butter, cheese, dry skim milk, and evaporated milk.

The program of buying surplus dairy products was inaugurated largely at the request of representatives of producers and their cooperative marketing associations, at a time when the dairy industry was confronted with a serious surplus situation. The quantity of butter in storage totaled 175,000,000 pounds, the largest volume on record.

The surplus removal operations constitute one phase of a general direct-aid program designed by the AAA to improve economic conditions in the dairy industry. Other parts include marketing agreement programs for fluid milk markets and for the national dry skim milk and evaporated milk industries.

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SMALL COTTON FARMERS MAY INCREASE DIVERSION

Secretary Wallace recently approved changes in the Agricultural Conservation Program for the Southern Region so that small producers and others may be paid additional cotton base acreage planted to soil-conserving crops or devoted to soil-building practices.

Heretofore, the maximum diversion for which full payment could be paid was 35 percent of an individual producer's base cotton acreage. Now, small producers with a base of five acres or less may receive full payment for diverting up to two acres.

The modifications are intended to enable producers who have been hit by the drought to take full advantage of the crop insurance provision of the Agricultural Conservation Program.

The changes were decided upon after a survey revealed poor stands of cotton in South Carolina, Tennessee, North Carolina, Georgia, and Alabama.

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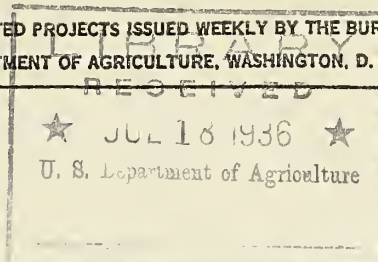
A QUESTION AND ANSWER DESCRIPTION of government grading of canned fruits and vegetables may be obtained from the Bureau of Agricultural Economics.

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STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

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July 8, 1936



Vol. 16, No. 28

LOUISIANA POULTRYMEN URGED TO INCREASE FLOCKS

Louisiana farmers are being urged by Louisiana Extension Service to increase their flocks of poultry so as to meet local market needs for chickens and eggs. B. B. Jones of the extension service points out that although 88 percent of all farms in the State produce some chickens and eggs for home use, the average number of chickens per farm is only 29. This, he says, is not enough to supply local market needs. Ninety percent of the poultry consumed in New Orleans is shipped in from other States.

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CALIFORNIA SEEKS FRUIT MARKETING AGREEMENT

Negotiations are under way in California for a marketing agreement in the deciduous fruit and almond tree nursery stock industry, under authority of the California Marketing Agreement Act of 1935. The agreement would eliminate unfair trade practices, including sales below cost; standards for commercial sizes would be set up, and provision made for the establishment of an industry board of nine, whose members would be nominated by the nursery stock industry and appointed by the State Director of Agriculture. The administrative expenses of the industry board would be paid by the industry on a prorated basis.

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ILLINOIS SAYS FARMERS TO GET HALF OF FOOD DOLLAR

Farmers a few years hence will be getting 50 cents out of every dollar consumers pay for food, provided consumer incomes continue to increase, says R. W. Bartlett, Illinois College of Agriculture.

From 1932 to 1935 cash income to farmers increased from \$4,-300,000,000 to \$6,900,000,000, and the farmer's share of the consumer's dollar jumped from 35 to 46 cents. The farmer's share for the years 1921 to 1935 averaged 47 cents.

Bartlett points out that "with upward movement in consumers' incomes, farm prices rise faster than distributors costs, resulting in an increase in the farmer's share of the consumer's dollar."

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AAA MODIFIES FARM PLAN
IN WESTERN DROUGHT AREAS

Modifications of the 1936 Agricultural Conservation Program in the Western Region have been announced by the AAA, in order to preserve all available forage for livestock feed and to encourage the planting of forage and feed crops for use during the coming fall and winter in drought-stricken areas. The general effect of the modifications is to encourage the widest possible conservation of forage without jeopardizing the compliance of farmers with the conservation program. They apply to designated emergency areas, principally in North Dakota, South Dakota, Montana, and Wyoming. Modifications have been announced in East Central and Southern Regions, also, to increase the production of food and feed crops.

NEW YORK AMENDS
SEED MARKETING LAW

The New York State seed law was amended at the last session of the State Legislature to provide for official inspection of flower seeds offered for sale within New York State along the same lines as already apply to vegetable seeds, grass mixtures, and general farm seeds. Germination and purity tests and field trials for trueness to type are provided for in the new legislation which is said to be one of the first of its kind enacted in the United States.

In recent tests it was found that about one-third of 500 packets of flower seed contained weed seeds representing at least 40 different kinds of garden weeds. About 57 percent of the packets gave satisfactory germination, 28 percent were of doubtful value, and 15 percent were worthless. The seed law is administered by the State Experiment Station at Geneva, New York.

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NEW JERSEY REJECTS PLAN
TO COMMERCIALIZE TATTOOING

Proposals by a mid-western organization to put the New Jersey poultry tattooing system on a commercial basis have been rejected by the New Jersey Poultry Association on the ground that such action would increase the cost to poultrymen and reduce the effectiveness of the present system.

The Association says that "State Police in a neighboring State have reported that the commercialization of a tattoo plan on which they were working became so confused when three concerns competed in doing the work that they had to withdraw their cooperation."

The New Jersey State Police has announced that they will not accept registrations from any commercial concerns who enter the State for the purpose of setting up duplicating registration plans.

MAINE MAN GETS
TOP PAC PENALTY

Judgment in the sum of \$17,500 was recently entered against Henry G. Beland, Fort Kent, Maine, by the United States District Court at Bangor for operating without a license under the Perishable Agricultural Commodities Act.

Judgment was the result of a civil action at law by the Federal Government to recover the penalties prescribed by section 3 of the Act for doing business without a valid and effective license. The judgment represents the maximum penalty of \$500 covering the handling of each of 35 carlot shipments of potatoes, or a total of \$17,500.

The violator had a license during the year 1931, but failed to renew it or apply for a new one. He knew that a license was required but ignored the bureau's warnings. Evidence at the trial also showed that the defendant had failed to honor a large number of checks tendered to growers in payment for potatoes. Judgment was rendered by default.

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IOWA FARMERS WOULD
REDUCE CORN ACREAGE

A 15 percent reduction in corn acreage below the 1929 level, in Iowa, and a 4 percent decrease in small grain acreage, have been recommended by 1,600 members of the county agricultural planning committees in that State, according to a report by Iowa Extension Service. The land taken out of corn and small grain, for the most part, would be put into alfalfa and pasture. Hay tonnage would be increased 54 percent and pasture acreage 9 percent in order to maintain soil fertility and control erosion. Recommendations also call for a 27 percent decrease in numbers of swine. Cattle numbers would be increased, mainly in the cash grain areas.

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NORTH DAKOTA SEEKS
TO HOLD BREEDING STOCK

A clearing house has been set up by North Dakota Extension Service to bring together farmers who have good livestock but no feed and farmers who have feed and want more livestock. It is hoped thus to keep "as much as possible of the breeding stock within the State."

The Service reports that severe culling of herds and flocks in 1934 left only the best bred animals, and that the retention of this high quality stock is necessary as a foundation for future breeding operations.

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TENTATIVE U.S. STANDARDS and Grades for Dressed Turkeys have been issued by the Bureau of Agricultural Economics.

FEDERAL LIVESTOCK FEED AGENCY IS CREATED

A Federal Livestock Feed Agency, to serve as a clearing house for information that will facilitate the rapid and efficient transfer of feed and livestock in drought-affected areas, has been set up by the Department of Agriculture in the Bureau of Agricultural Economics. Headquarters are at Kansas City, Mo., under the charge of E. O. Pollock of the Agricultural Extension Service.

The clearing house will locate surplus supplies of feed, advise farmers and livestock feeders in drought areas as to where they can buy feed at the lowest cost, and facilitate the sale and transfer of cattle from regions where there is a shortage of feed supplies, water, and pasture. The Agency itself will not buy or sell feed or livestock, nor make loans.

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BUREAU STUDYING LIVESTOCK POPULATION CHANGES

Reasons for changes which are occurring in the livestock population, especially in the South, are being studied by the Bureau of Agricultural Economics. The causes and probable permanency of these changes will be studied in connection with soil conservation programs of the AAA. Work has been started on this project in North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Arkansas, Tennessee, and Kentucky.

Shifts from cotton to corn and other feed crops apparently taking place in the South are said to be affecting livestock, dairy and poultry production in an area previously unimportant in connection with the cattle, hog, dairy and poultry situations. Shifts from intensive crops to extensive feed crops also are expected to influence the production and prices of dairy and poultry products and cattle.

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COLORADO GETS MARKETING AGREEMENT ON PEACHES

A marketing agreement for handlers of peaches grown in Mesa and Delta Counties of Colorado has been tentatively approved by Secretary Wallace. Principal provisions govern limitation of shipment of any grade or size of peaches, filing and posting of prices at which peaches are quoted or sold by handlers, and creation of a Control Board to administer the marketing program.

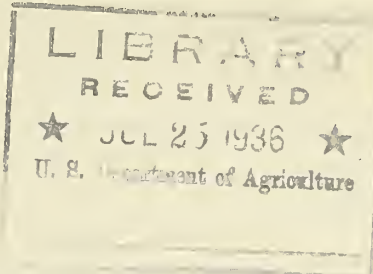
Under the grade and size provisions, shipments of peaches during a regulation period would be graded on the basis of United States grades, and the grades certified by the Federal-State inspection service. The use of these grades and inspection in Colorado are required by State law.

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July 15, 1936



Vol. 16, No. 29

LOS ANGELES GETS MILK MARKETING PLAN

A stabilization and marketing plan for marketing fluid milk will go into effect in the Los Angeles County marketing area on July 23, it has been announced by California Director of Agriculture A. A. Brock.

The plan provides that all distributors who purchase milk for sale or consumption within the city or county of Los Angeles shall pay producers 59 cents per pound milk fat, that price to become effective on July 23.

Coming under the plan will be 45 processing plants, 16 producer-distributors and approximately 200 vendors who buy milk from other distributors. In addition to the price approved in the plan, all distributors are afforded 30 days within which to secure licenses as required by the Young milk marketing and stabilization law.

The plan affects 1087 producers supplying milk to Los Angeles city and county. The business exceeds \$1,000,000 a month. Heretofore, the producers have been getting an average of 52½ cents per pound of milk fat.

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PENNSYLVANIA FARMERS MORE PROSPEROUS NOW

Pennsylvania farmers are sharing the greatest measure of prosperity in several years, reports J. Hansell French, Pennsylvania Secretary of Agriculture. Their prospects, he says, are higher than at any time since 1920.

Secretary French supports his statement with statistics showing a sharp increase in farm income the last three years, increased values of livestock on farms, higher farm land values, a better demand for farms, and higher prices of farm products.

"Perhaps the safest barometer of farm conditions is farm credit," he concludes. "I am able to report that banks are again lending money to our farmers."

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OKLAHOMA WOOL GROWERS EXPECT HIGHER PRICES

Oklahoma farmers are looking forward to a more favorable wool market this year, due to limited supply of wool carry-over and the

strength of wool prices in foreign markets, according to A. W. Jacob, Oklahoma extension economist in marketing. Strengthening factors in Oklahoma, he says, include increased activity of wool buyers to obtain Oklahoma wool, an increase of 25 percent in the grading advance by the Midwest Wool Growers Association, Kansas City, and increased demand for Oklahoma wool.

Jacob points out that while stock sheep numbers declined more than 4 percent from January 1, 1934 to January 1, 1936 in the United States, numbers in Oklahoma increased 16.5 percent.

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NEW JERSEY POULTRY KILLED BY DROUGHT

Record high temperatures have killed thousands of New Jersey poultry in flocks whose owners were caught unprepared, reports New Jersey Experiment Station. Losses have ranged from a few birds to 250 full grown hens in a single flock. Heavy breeds, birds whose vitality had been lowered by high production of eggs, and birds left in trapnests too long have been especially the victims of heat prostration.

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IOWA CAUTIONS FARMERS ON BUYING DROUGHT LIVESTOCK

Iowa farmers who may be planning to buy some of the "distress" cattle and sheep from the western states are being cautioned by Iowa Extension Service to be sure they have enough feed to carry the livestock already on the farm.

In 1934 some farmers - especially in northern Iowa - thought they might have a surplus of feed, or at least enough to handle some of the drought region stock. Many of these purchases turned out to be unprofitable.

The Service points out, also, that if the "distress" animals are emaciated from a too long "starvation" period, the gains they make will be disappointing.

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LOUISIANA SHEEP GO TO CALIFORNIA

The largest single shipment of sheep in Louisiana history - a special train made up of 40 cars loaded with 5,932 head of sheep - moved recently from Gillis, Louisiana, to California. They brought a total of \$11,864.

The sheep were bought for \$2 a head from several Calcasieu and Beauregard parish sheep raisers by California buyers who will take them to the Imperial Valley, where they will be fattened on wheat and barley fields. The shipment was made up entirely of wether muttons, ranging from yearlings and up in age. Last spring, a shipment of early milk-fed lambs went to Missouri.

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TENTATIVE UNITED STATES STANDARDS for grades of canned pears have been issued by the Bureau of Agricultural Economics.

COMMISSION STUDYING FOREIGN
CONSUMER COOPERATIVES

A commission of five has been appointed by President Roosevelt to study consumer cooperation in several European countries. Members are Jacob Baker, Assistant Works Program Administrator; Leland Olds, Executive Secretary of the New York State Power Authority; Charles E. Stuart, Consulting Engineer of New York; Clifford Gregory, editor of the Prairie Farmer, and Robin Hood, Secretary-Treasurer, National Cooperative Council.

Gregory and Hood will give particular attention to the relationship between consumers cooperatives and agriculture and the use of agricultural commodities.

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NEW ENGLAND MAPLE
PRODUCTION REDUCED

The 1936 maple crop in New England is the smallest in three years, according to the New England Crop Reporting Service. Production is 8,621,000 pounds, expressed as sugar, compared with 14,909,000 pounds in 1935, and 10,620,000 pounds the five year average production 1928-32. About 8 percent of this year's crop is sugar, and the remainder has been made into 990,000 gallons of syrup. Last year the syrup gallonage was 1,724,000.

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NEW YORK SETS
STANDARDS FOR SEED

Standard for certified seed, tubers and plants have been promulgated by New York Department of Agriculture and Markets. Onion seeds appear in the certified list this year for the first time. One new potato variety is included in the certified seed list - the Warba, which is one of the latest varieties developed by the United States Department of Agriculture. Minor changes in beans are provided in the new promulgations, but otherwise the certification standards duplicate those in effect last year.

Copies of the standards may be obtained from New York State Bureau of Markets, Albany, New York.

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SEATTLE MEAT GRADING
SERVICE PRAISED

Seattle's experiment in requiring meat to be graded is giving the public better beef with no advance in price, the American Home Economics Association in recent session at Seattle was told by Dr. F. E. Smith of the Seattle Department of Health and Sanitation. The system was developed by the Bureau of Agricultural Economics in response to requests by city officials charged with enforcing an ordinance requiring compulsory grading of beef, mutton, and lamb.

NORTH DAKOTA DROUGHT
SHEEP TO BE SOLD

The Drought Committee of the Department of Agriculture reported on July 14 that sheep will be bought from farmers in southwestern North Dakota where the drought is most acute, shipped to the northeastern part of the State, particularly into the Red River Valley, and there resold to farmers who have available feed and pasture.

The committee announced that \$1,500,000 had been allotted by the Works Progress Administration to the Soil Conservation Service for starting work immediately on drought projects in the 12 States in which emergency drought counties have been designated.

The committee emphasized that the government will not attempt to compete with farmers in the purchase of stocker and feeder cattle. Initial purchases would be made at the open market and would be confined largely to cutter and low cutter classes and to other unfinished types of cattle not suitable for feeding purposes. Payments for the cattle will be governed by the price prevailing at the market and would consist of purchase payments only.

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GROWERS MARKETING
LABELED COTTON

Cotton farmers are finding it profitable to label cotton for marketing, the one-variety community serving as a means to this end, according to C. B. Doyle, Bureau of Plant Industry. Reports from 11 cotton States show that more than 300 one-variety communities, with a total of 900,000 acres, have been developed in 156 counties. Doyle estimates that 500,000 bales of improved community-grown cotton were produced in these areas last season. In Georgia, where 124 of the one-variety communities are located, mill operators are demanding the large, even-running lots of cotton from the cooperating farmers. These farmers last year received premiums of approximately \$3 a bale on 75,000 bales. It is estimated that the average increase in yield for the one-variety communities in Georgia was 50 pounds of lint cotton per acre.

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THE BUREAU OF AGRICULTURAL ECONOMICS reported this week: The farm real estate tax bill in 1935 was \$365,000,000, the smallest in sixteen years. Peak taxes were in 1929 when the average tax per acre was about 6 times that in 1890. Last year the tax was about $3\frac{1}{2}$ times that in 1890...

Farm hands are getting the highest pay in five years in New England, Middle Atlantic, East North Central, and Pacific States. The reduction in the supply of farm hands is attributed to increased industrial and other employment opportunities...

Eighteen markets have been designated to date for tobacco inspection under the terms of Section 5 of the Tobacco Inspection Act. These markets represent four types of fire-cured tobacco, one air-cured type and two flue-cured types. On these markets approximately 156,000,000 pounds of tobacco was offered for sale at auction last season.

MARKETING ACTIVITIES

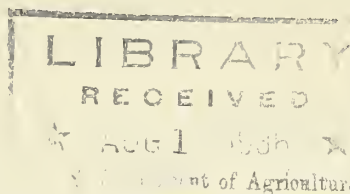
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July 22, 1936

Vol. 16, No. 30

DROUGHT COMMITTEE DESIGNATES 38 ADDITIONAL COUNTIES



The Drought Committee of the Department of Agriculture on July 17 added 38 counties in 4 States to the list of emergency drought counties previously designated. The total in the drought area is now 490 counties in 15 States.

The designation included 12 counties in Arkansas, 7 in Missouri, 11 in South Carolina, and 8 in South Dakota. This was the first designation made in Arkansas. Drought counties in the other 3 States now total 54 in Missouri, 39 in South Carolina, and 52 in South Dakota. Nearly one-half of the counties in Missouri and more than three-fourths of those in South Dakota are now official drought areas.

As of July 17, the number of emergency drought counties in States other than Arkansas, Missouri, South Carolina, and South Dakota, is as follows: Colorado, 7; Georgia, 58; Kentucky, 42; Minnesota, 9; Montana, 28; North Carolina, 28; North Dakota, 53 (entire State); Oklahoma 35; Tennessee, 50; Virginia, 14; and Wyoming, 9.

The Drought Committee announced that the Agricultural Adjustment Administration had ordered 108 carloads of feedstuffs to Missouri for relief distribution in that State. Shipment of 844 carloads of food and feed into 14 other States in the drought area was announced on July 15.

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STABILIZATION AND MARKETING PLAN AS PROVIDED BY MILK CONTROL ACT

After a public hearing early in July, the State Director of Agriculture for California, A.A. Brock, approved a stabilization and marketing plan, based on the provisions of the Young milk control act, for the San Bernardino-Riverside marketing area, effective July 23.

The plan established a price of 59 cents per pound of milk fat to be paid to producers supplying distributors for the area. Under the plan approved, 130 producers and 130 distributors are affected. More than 380,000 gallons of fluid milk, as based on the supply for the month of May, are handled in this area. The price approved will give increased returns to producers, amounting to 6½ cents per pound milk fat.

Distributors are given 30 days after the effective date of the plan in which to apply for licenses. Their licenses may be revoked for non-compliance.

Los Angeles County has already adopted the plan. San Joaquin County adopted the stabilization plan effective October 28, 1935, and under an amendment effective August 1, increases in the prices of fluid milk and cream will be paid to producers.

PENNSYLVANIA POTATOESFIND GOOD MARKET

The demand this year for Pennsylvania certified seed potatoes again exceeded the supply, J. Hansell French, secretary of agriculture, announced July 16 when the Bureau of Plant Industry certified the last of this year's seed for shipment to growers in this and other States.

Potter, Somerset, and Cambria County growers are planting larger acreages of potatoes for certified seed purposes this year than heretofore.

BOTH HIGHER AND LOWER PRICESIN PROSPECT FOR FARM PRODUCTS

Higher prices for a number of farm products were forecast July 16 by the Bureau of Agricultural Economics. These include butter, cheese, eggs, and the better grades of cattle. Lower prices are in prospect for potatoes, hogs, the lower grades of cattle, feeder lambs, poultry, and wool.

Wheat prices are expected to remain about as high in relation to Liverpool prices as in the last 3 years, when United States production of some kinds of wheat was less than annual domestic requirements. Prices in Winnipeg and Liverpool are expected to average higher than last year, because of shorter prospective world supplies. On July 1, the world carry-over of wheat was estimated 225,000,000 bushels less than on that date last year. For the United States alone the carry-over July 1 was estimated at about 125,000,000 bushels.

Feed grain prices have risen as a result of threatened damage to corn and reduced crops of oats and barley. Weather will continue to be the dominant price factor as the corn crop approaches the critical stage of growth, says the report. Prospective supplies of feed grains, including stocks on hand, are less than last year, and below average.

Potato prices are likely to continue to decline seasonally during the next few months, as supplies from the late crop States become available for market.

A "Considerable decline" in hog prices by late September or early October is forecast on the basis of a sharply increased supply of slaughter hogs next fall and winter.

The bureau says "it now seems probable that the low point for prices of better grades of beef cattle was reached in June and that prices will strengthen during the remainder of the summer and fall. But receipts of drought cattle in some markets, together with seasonal factors, will undoubtedly cause a continued decline in prices of the lower grades of butcher cattle."

"A wide spread between prices of common and choice slaughter lambs is expected during the remainder of this year. The price of feeder lambs probably will be lower in relation to good slaughter lambs than a year earlier.

Butter prices will be affected by drought conditions, but "even if the drought is broken in the near future, it seems probable that prices during the last half of 1936 will average much higher than in the corresponding period of 1935, and probably the highest since 1930."

Similar prospects are seen for prices of cheese. Lower prices for chickens were forecast, but higher prices for eggs. A slow market for domestic wool during the remainder of the year appears likely, says the report.

B.A.E. CERTIFYING CATTLE IN
DROUGHT-RELIEF BUYING

At the request of the A.A.A. the Bureau of Agricultural Economics is certifying at public livestock markets the number, weight, class, grade, and price by grade of the cattle being purchased by the Government in its drought-relief work. The markets that have been designated thus far for that purpose are Chicago, St. Paul, and Sioux City.

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WORLD'S POULTRY CONGRESS MEETS
IN LEIPZIG, GERMANY

The Sixth World's Poultry Congress will meet in Leipzig, Germany, from July 24 to August 2. Official delegates of the U. S. Department of Agriculture will be: Chairman, Dr. John R. Mohler, chief, bureau of animal industry, Dr. Hugh C. McPhee, chief, division of animal husbandry of that bureau, Dr. C. W. Warburton, director of Extension Work, and T. W. Heitz, associate marketing specialist, Bureau of Agricultural Economics. Other department representatives will be: Dr. C. W. Knox, poultry geneticist, Dr. Theodore C. Byerly, physiologist, and Dr. H. W. Titus, biological chemist, all of B.A.I. Representatives from some of the States and from all branches of the industry of this country will also be present.

The United States delegation, through Chairman Mohler will present to the Congress on behalf of the State Department this Government's invitation for the Seventh World's Poultry Congress to be held in the United States. The Congresses are held every third year under the sponsorship of the World's Poultry Science Association, and the executive council of the Association has voted in favor of holding the 1939 Congress in this country.

The program this year provides for many scientific discussions on poultry breeding, feeding, rearing, marketing, and disease control.

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VIRGINIA COLORED FARMERS, TEACHERS, AND
COUNTY AGENTS INSTRUCTED IN TOBACCO GRADING

A 3-day demonstration of U. S. tobacco grades before a group of 34 colored persons, including farmers, agricultural teachers, and county agents, was conducted by representatives of the Bureau of Agricultural Economics, July 7, 8, and 9, at the Virginia State Agricultural College for colored people, located just outside of Petersburg, Va. The course covered the general setup of the grades for flue-cured and fire-cured tobacco, explanation of grade marks, elements of quality in relation to grade, the application of standard grades in marketing, the tobacco market news service of the bureau, and its value to producers, and study and identification of type samples of flue-cured and fire-cured tobacco.

The county agents and agricultural teachers present represented most of the counties in Virginia in which tobacco is grown. The teachers have enrolled in their classes 617 High School and 431 adult pupils.

The course concluded with a vote of thanks to the U. S. Department of Agriculture for providing the instruction.

INCREASED SHIPMENTS OF
LOUISIANA FRUITS AND VEGETABLES

Shipments of fruits and vegetables from Louisiana for the first six months of 1936, increased by 2,618 carloads over those of a year ago, reported B. B. Jones, of the State extension service. Increased shipments were made of strawberries, potatoes, sweetpotatoes, and mixed vegetables. Decreased shipments this year, however, as compared with last year, were reported for beans, celery, cucumbers, onions, peppers, and tomatoes, but in all cases the decline was very nominal.

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B.A.E. TO REPORT
ON FARM OUTLOOK

Changes in the economic outlook for some major farm products, due to drought and other factors, will be reported soon in a series of outlook statements by the Bureau of Agricultural Economics.

Reports will be released on the poultry outlook on July 24, the dairy outlook on July 29, livestock on August 6, and wheat on August 14.

These reports will cover the current supply, demand, and price situation. Their purpose is to provide a background of facts for farmers as an aid to them in developing their production and marketing programs.

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DROUGHT CONDITIONS BRING MODIFICATIONS
IN CORN BELT FARMING

Farmers in the North Central or Corn Belt area are urged to preserve all available forage for livestock feed, to increase the amount of forage crops for fall and winter feeding, and to provide as large an acreage as possible of soil-conserving crops for 1937 under emergency drought recommendations issued by the Agricultural Adjustment Administration. These modifications in the provisions of the program will apply to the entire Corn Belt region consisting of Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

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NEW YORK STATE apple crop is estimated to be the smallest in 45 years, with only 9,000,000 bushels in prospect - a drop of nearly 50 percent compared with last year's crop. The grape crop will be the smallest since 1921, with only 48,000 tons in prospect, as compared with 69,000 tons for the 1931-35 average. Smaller crops are also predicted for beans, hay, pears, cherries, and potatoes, according to F. A. Harper of Cornell University.

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U.S. STANDARDS FOR ONION SETS, effective July 15, 1936, have been issued by the Bureau of Agricultural Economics.

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STATE AND FEDERAL MARKETING ACTIVITIES

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AND OTHER ECONOMIC WORK

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ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

July 29, 1936

Vol. 16, No. 31

MILLING-TEST CERTIFICATION MADE AVAILABLE FOR CALIFORNIA-JAPAN ROUGH RICE

Federal-State certification of the "milling-test" of California-Japan rough rice will be available in California beginning August 1. This "milling-test" certification will apply to a "lot" or a "sample" of California-Japan rough rice and is the result of requests from members of the California rice industry for reliable tests of the milling properties of this rice and for certification of such tests of individual "lots" and "samples."

The determination and official certification of the milling test will be made by California State rice inspectors and may be had on application of any interested party to either of the two California State rice inspection laboratories, located in Sacramento and San Francisco, California.

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SUPPLEMENTAL FEEDING URGED TO KEEP MINNESOTA MILK PRODUCTION UP

Minnesota dairymen are warned that they must resort to supplemental feeding if they would keep up the milk production of their dairy herds, during this season of extremely short pastures, by H. B. Searles, extension dairyman, University Farm, St. Paul. Ordinarily the present season is one of short pastures, but the scanty rainfall has caused the situation to be more acute. For heavy milk production, Mr. Searles advises a pound a day of some high protein feed. If feed must be purchased, the most nutrients for the money expended must be selected, he says.

FARM TENANCY TO BE STUDIED BY TEXAS EXPERIMENT STATION

A five-year study of farm tenancy, with a view to developing a more equitable system of leasing farms, will be the subject Dr. C. Horace Hamilton will direct as agricultural economist at the Texas Experiment Station. Special emphasis will be given the social and economic aspects of farm tenancy.

For the past five years Dr. Hamilton was rural sociologist at the North Carolina Experiment Station. In his work there he brought out valuable disclosures regarding the social and economic problems of North Carolina farm people, according to Dr. R. Y. Winters, Director, who stated that Dr. Hamilton's findings have been used as a guide in formulating and administering various programs for helping rural people, and will serve as a foundation for further studies in that field.

CHEAPER BEEF RESULT OF PLENTIFUL SUPPLY

Beefsteaks may now be had at prices to suit all, is the situation reported by P. S. Shearer, head of the Animal Husbandry Department, Iowa State College, who says that prices are from 7 to 32 percent below those of a year ago, depending upon the cut. As a result of modern cutting methods, there is a wider selection of cuts available than ever before. This makes possible a greater variety of meat dishes in the daily menu.

Beef production is one of the major sources of farm income in Iowa. About 79 pounds of every 100 pounds produced in that State must find an outside market; therefore, the more consumed in Iowa, the less that will have to be marketed elsewhere, Professor Shearer points out.

Approximately half of the meat eaten in the United States is beef, including veal. August has been designated as National Beef Month, and during the month a special effort will be made to increase the consumption of beef. All retail meat dealers in the Nation, including chain stores and independent dealers, are cooperating in helping the 5½ million farms of the country that produce beef to find a market for their product. Support is also being given by livestock associations, marketing agencies, and the packing industry.

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CONTROL OF COTTON WORM EXPLAINED BY LOUISIANA EXPERT

Dusting with calcium arsenate in the same manner as for the boll weevil will control the cotton leaf worm, states Dr. C. O. Eddy, entomologist of the Louisiana Experiment Station.

The worm, sometimes called the army worm, each year does great damage to the cotton crop through its attacks on the cotton plants. It flies into the Southern States from Mexico where it breeds continuously. Cotton growers and others should watch closely their fields for the first appearance of this leaf-feeding worm and be prepared to combat it immediately after its discovery, advises Dr. Eddy.

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THIRTEEN STATES TO BE REPRESENTED AT MEETING OF POULTRYMEN

Poultrymen from 13 States are expected to attend the three-day meeting of the Northeastern Poultry Producers Council at Maine State College, August 25-27. A poultry tour will precede the business meetings, when the members will go by automobile up the coast of Maine to inspect two modern poultry plants.

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The following mimeographed reports are now available in the Bureau of Agricultural Economics:

Railroad Transportation and Agriculture During the Depression
Price Spreads Between the Farmer and the Consumer
Tariff Rates on Principal Agricultural Products

FARMERS' PURCHASING CO-OPS
MAKE MARKED PROGRESS

Among the 20,000 farmers' business cooperatives in the United States, farmers' cooperatives purchasing oil, gasoline, insurance, irrigation, electricity, and other farm supplies are today the fastest growing, according to W. I. Myers, Governor of the Farm Credit Administration.

The business of farmers' oil cooperatives, mutual fire insurance companies, and other farm supply purchasing organizations is increasing steadily and the operations of many of these and other types of farmers' cooperatives is being financed by the 13 banks for cooperatives, the Governor said. He particularly commented on the development of oil and gasoline cooperatives.

"Farmers' cooperatives in the United States fall into two general classes," Myers explained. "One type is made up largely of farmers who keep their heads together as a means of doing a better job of selling their products. These groups are called marketing cooperatives. In the other type, farmers get together for cooperative buying of farm supplies or to provide essential business services such as fire insurance, water, electricity for power and light, and other services. Farmers' purchasing cooperatives, corresponding to consumers' cooperatives among city people, have doubled their business volume during the last 10 years.

"The cooperative movement in the United States is over 100 years old. It has grown rapidly during the past generation. Now, apparently, the depression has given it a stimulus it had not known for years. There is general interest in this movement that shows industrious and thrifty people how they can increase their incomes or make them go further by using a little team-work, fair-play, and business arithmetic.

"The 5,000 and more farm credit cooperatives in the United States have members in almost every county. Farmers' organizations being financed today by the 13 banks for cooperatives have a membership of over 1,000,000 farmers."

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GAUGE INVENTED TO TELL
WHEN PEACHES ARE RIPE

All guesswork has been eliminated from the question of when peaches are ripe enough to pick by a flesh firmness pressure tester perfected by Professor M.A. Blake, chief of the division of horticulture of the New Jersey Agricultural Experiment Station, Rutgers University.

By simply selecting sample peaches from a tree and exerting pressure, orchardists can tell, after reading the gauge, just how soon the fruit must be picked and sent to market. A reading of nine to ten pounds pressure to penetrate the fruit with the plunger indicates that the fruit's flesh is sufficiently firm to stand long distance shipping, up to a thousand miles. If the reading is only three pounds, the fruit on the tree from which the samples were taken is "soft ripe" and should be eaten almost as soon as plucked. Between these two extremes are three intermediate standard pressures, scientifically charted by the inventor, "firm ripe" which indicates need for immediate harvest and marketing, "hard ripe" peaches that can be held at the market for second day sales, and "nearby shipping ripe" for markets within a few hundred miles.

CARLOAD INSPECTIONS OF FRUITS AND VEGETABLES SHOW BIG GAIN

Total carload inspections of fruits and vegetables for the fiscal year ended June 30, 1936, were 395,250 as shown by the inspections under the co-operative Federal-State service. Total carload inspections at shipping points for the period just ended were 339,420, an increase of 32,979 over last year; total carload inspections at destination markets were 55,830, an increase of 2,387 over the preceding period.

The greatest increases in inspections were shown in the following States: Maine 17,158 more, due probably to the new State standardizaion law; Colorado 12,067 more, the previous year's inspections having been greatly reduced on account of the effect of drought on the potato crop; Texas 4,595 more, this increase being evenly distributed over all commodities inspected; Georgia 3,241 more, due largely to the compulsory inspection of watermelons under the Control Committee's orders.

The principal decline was 25,150 carloads in Florida, resulting from the discontinuance of compulsory citrus inspections when the Control Committee discontinued its work in that State.

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ILLINOIS FARMERS MAKING 3-YEAR VARIETAL TESTS OF WHEAT

Efficient and low cost production of the 30,000 acres of wheat they seed annually is the objective of farmers of White county, Illinois, in launching a 3-year project of varietal tests of wheat.

State Farm Adviser R. H. Clanahan reports that five high yielding varieties, more nearly adapted to White county conditions, will be planted on five different soil types found in the county. These plots will consist of an acre of each of the varieties planted separately.

They will be inspected in the spring of 1937 and threshed separately, making it possible to check both type of growth and yielding ability. Cooperating farmers have agreed to carry on the tests for a 3-year period.

Varieties to be tested will be seeded on sand land, richer dark loams, light colored silt loams, so-called bench or terrace land, and the hill lands of the county. The studies are part of a wheat improvement project being carried on throughout the State by the extension service of the College of Agriculture, University of Illinois.

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Smaller production for all important New Hampshire crops except potatoes, is in prospect, according to a statement issued by A. L. Felker, Commissioner of the New Hampshire Department of Agriculture. The Apple crop is estimated at 360,000 bushels compared with 656,000 bushels harvested last year and a five-year average of 887,000 bushels. The present apple prospect for New England is for the lightest crop in over 15 years, except the 1934 crop. Potato acreage although decreased from last year, is expected to yield 1,568,000 bushels compared with 1,350,000 bushels last year.

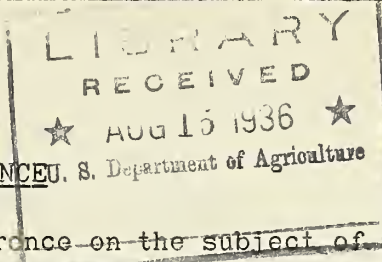
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STATE AND FEDERAL

MARKETING ACTIVITIES

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August 5, 1936



Vol. 16, No. 32

NEW ENGLAND POULTRY PRODUCERS

TO HOLD ADVERTISING CONFERENCE

The first organized conference on the subject of advertising to be held by the Northeastern Poultry Producers Council will have for its subject "What Constitutes Good and Poor Advertising for the Breeder or Commercial Poultryman?" and will take place during the forenoon of August 26 at the summer meeting of the Northeastern Poultry Producers Council at Orono, Maine. Hugh Thompson of Fanwood, N.J., eastern manager of Poultry Tribune, will serve as chairman of the conference. It is one of several to be held simultaneously as part of the program for the meeting which lasts from August 25 to 27.

At a round table discussion, advertising problems peculiar to poultry advertisers will hold the attention of the conference. Poultrymen who may plan to attend have been invited to bring with them any advertising problems with which they may be confronted.

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BREEDING STOCK BEING KEPT IN NORTH DAKOTA

An extraordinary effort to help owners of good breeding stock to find an outlet for the livestock which drought is forcing them to sell, and at the same time to assist farmers in other sections where feed is available to secure the best of this breeding stock and keep it in North Dakota as a foundation for the future, is being made by North Dakota Agricultural College extension service.

Ray C. Powell, formerly with the Agricultural Credit Corporation, has been assigned to work during the present emergency with George J. Baker, extension livestock man, in locating breeding stock in the drought counties for buyers in other sections of the State. By August 1 thousands of head of livestock, mainly ewes and lambs, had been shifted as a result of work done by county agricultural agents and extension representatives. Most of the stock is going into the northeast counties and into the Red River Valley.

Movement of the livestock within the State has proved of mutual advantage both to farmers who must sell and to farmers in a position to buy. Special transit freight rates extended by the railroads have facilitated the undertaking. The extension service has also compiled a list of farmers having surplus feed, which list has been submitted to counties in the drought territory as a guide to farmers who may be attempting to locate feed. Likewise similar lists of farmers having livestock to sell and of farmers who wish to buy livestock have been made up and are being circulated in the areas concerned.

CALIFORNIA CLING PEACH CANNERS OPERATING UNDER MARKETING AGREEMENT

California's cling peach canners and growers are operating subject to a marketing agreement which, under State law, became effective July 27. The license issued by A. A. Brock, director of agriculture, became effective upon all canners of cling peaches on August 1.

Director Brock signed the marketing agreement for canning cling peaches grown and canned within the State of California making it effective after Dr. Theodore Macklin, chief of the Department's division of markets, had certified to him that more than 75 percent of the growers, both as to number and tonnage of cling peaches produced by them and canned in 1935, and more than 75 percent of the canners engaged in the canning of cling peaches in California, both as to number and the cases packed by them in the past season, had signed the necessary forms.

The two principal features of the marketing agreement are that only No. 1 grade of cling peaches may be packed and that both growers and canners will contribute 50 cents per ton to a fund to advertise and promote the sale of cling peaches nationally. The Canning Peach Industry Board, to which W. C. Jacobsen, assistant director of agriculture, has just been appointed a member, will be responsible for the work of the graders, the administration of the advertising fund, and of other provisions of the plan.

The agreement operates for 1 year only, ceasing to be effective as of June 29, 1937. A public hearing was held in Sacramento, July 10, on the application for the agreement made by the Canners League at California at the request of the State-wide Committee of Canning Cling Peach Growers.

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DROUGHT FORCES SALE OF IOWA PIGS

More than 15,000 feeder pigs will have to be sold from 18 southern and western Iowa counties within the next 30 days, in the opinion of county agricultural agents.

A survey of county agents conducted by the Iowa State College Extension Service brought out the opinion that disposal of the spring pig crop will be the most serious of the livestock problems caused by the drought. Most of the roughage-consuming livestock in the State can be handled without much movement of stock from one section to another if all available roughage is saved.

The survey also indicated that there is a demand for additional feeder pigs among farmers in northern and eastern counties. Farmers in counties where there is a demand for feeder pigs may obtain lists of men having pigs for sale from county agents in drought-hit counties.

Purchase of feeder pigs from the drought sections offers a chance for profit to farmers who are in position to feed for the late winter market, extension animal husbandmen believe. Before purchasing, it will be of advantage to prospective buyers to see the pigs on the farms where raised in order to check on health and general condition of the pigs, they are advising farmers.

PENNSYLVANIA FARM COOPERATIVES
REPORT BUSINESS GAINS

Farm cooperatives in Pennsylvania in 1935 did a total business of \$34,905,662, which represents a gain of \$73,025 over their 1934 business, according to J. Hansell French, secretary of agriculture.

An analysis of the annual reports made to the Bureau of Markets by the cooperatives shows a gradual, healthy growth and a trend toward a few large cooperatives.

During 1935 the cooperatives did an egg business which exceeded that of 1934 by 593,356 dozens. They sold twice as much wool, more live-stock, and more fuel and fuel oil. On the other hand, tonnage and value dropped in their dairy, fruit, and vegetable transactions.

An increase in the membership of cooperatives incorporated in that State last year was due largely to the incorporation under Pennsylvania laws of a cooperative which had previously operated under a charter of another State, according to James L. States, acting director of the Bureau of Markets.

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DAILY RADIO MARKET QUOTATIONS
NOW MADE TO NEW YORK FARMERS

A new produce market report service for farmers was started August 3 at the New York State College of Agriculture through the University station WESG. The service is made available by the New York State Department of Agriculture and Markets at Albany.

The college offers State market reports from the principal markets in the State, and has a teletype installed to receive quotations. Reports of prices and the condition of produce come to Ithaca from Albany daily. Albany, in turn, receives them from Syracuse, Buffalo, Menanda, Rochester, Schenactady, and New York. Two reports are offered, one on produce and the other on poultry and eggs.

The reports are expected to give a direct comparison between the up-State and New York City markets, and will interest farmers throughout the State. Marketing information will reach farmers from 24 to 36 hours ahead of any previous reports. This service will go on the air daily at 12:30 o'clock.

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LIST OF CALIFORNIA COMMISSION MERCHANTS,
PRODUCE DEALERS, AND PROCESSORS AVAILABLE

A complete official list of all California licensed commission merchants, produce dealers, processors and their agents has just been compiled and printed by the Division of Market Enforcement, State Department of Agriculture, and is now available free of charge at that agency's offices at Sacramento, San Francisco, and Los Angeles. By reference to the list, the credentials and standing of solicitors and their firms may be readily established. The 1936 list, valuable to growers, shippers, dealers, and processors, is the largest and most complete ever prepared. The pamphlet contains a short explanation of the Produce Dealers Act and the new Processor's Law, and as an added feature, describes the exact nature of the business of each licensee, as indicated by descriptive initials and symbols.

"ELECTRIC EYE" INVENTION TO AID
IN MARKETING NEW JERSEY MILK

An "electric eye" that grades milk according to color and gives promise of becoming a valuable aid to dairymen in their efforts to develop desirable milk color traits in their herds has been perfected in the research laboratory of the department of dairy husbandry, New Jersey Agricultural Experiment Station, Rutgers University.

Perfected last winter by W. R. Manwaring of Wyckoff, N. J., research assistant in dairy husbandry, the new device, technically a colorimeter, measures the color of skim milk and cream as well as whole milk. Its first application was to a herd of 60 Guernseys at the Experiment Station farm. Since then, many dairymen have offered to cooperate in field studies, and plans are now being made for a comprehensive testing project involving about 1500 dairy cows in New Jersey and surrounding States.

The principle of the Manwaring colorimeter is a measure of the ability of a given specimen of milk to transmit light. Highly colored milk does not transmit light as readily as milk of low pigmentation. The apparatus has a standard gauge which measures the exact thickness of the column of milk at the point where the light shines through. A 20-millimeter reader indicates the maximum desirable degree of pigmentation. Low intensity of milk color is shown by a low reading. The thickness of the column of milk is the only variable factor. An improvement over two earlier models, the new colorimeter is simple enough for even an untrained person to operate.

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DROUGHT IN NEW YORK STATE FORCES
BAN ON CATTLE FROM DRY WEST

Declining to permit importation of western cattle to graze on New York State's parched pastures, Commissioner Peter G. Ten Eyck of the Department of Agriculture and Markets recently advanced a suggestion for relief of dairy farmers in drought-ridden up-State New York.

Study of the arguments for "boarding" western cattle in that State pending their slaughter, convinced Commissioner Ten Eyck there are considerable quantities of hay on abandoned farms and in unused pastures that can be cut to alleviate the scarcity on dairy farms. He directed his suggestion to local farm leaders throughout the State.

Commissioner Ten Eyck pointed out that information assembled by county agents and stock yard representatives "gives some idea" of the extent to which his suggestion for salvaging waste hay can be carried out. This information lists names and addresses of farmers in 13 counties who have approximately 18,000 acres on which they said they could have grazed more than 8,500 western cattle or many sheep.

Counties in which surveys were made include Cattaraugus, Chautauqua, Erie, Genesee, Herkimer, Livingston, Monroe, Orleans, Oswego, Otsego, Putnam, Steuben, and Wyoming.

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August 12, 1936

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Vol. 16, No. 33

NEW YORK FARMERS' CO-OPS DO BIG BUSINESS

Rapid growth of the farm cooperative movement in New York State is reflected in figures cited by the Farm Credit Administration which show that farmers' buying and selling associations have pushed ahead in the last few years, even during the depression.

The State is listed for 1935 with 255 associations which have 124,000 members who did an estimated business during the 1934-35 season of \$124,520,000.

Though surpassed by 15 States in number of associations and by nine States in number of members, New York is surpassed only by California and Illinois in estimated volume of business. California is credited with a business of nearly \$181,000,000 and Illinois with nearly \$142,000,000 during the 1934-35 marketing season.

In New York, associations dealing with dairy products lead all others in the buying and selling groups both in membership and volume of business, according to the figures cited. Thirty-seven of these associations had an estimated membership of 60,000 and did an estimated business of \$83,630,000.

Purchasing associations number 145, they have an estimated membership of 40,000, and an estimated business of \$33,400,000. Next in order are 42 associations that deal with fruits and vegetables. Membership is estimated at 6,000 and business at \$3,500,000. Following this are nine associations for poultry and poultry products, an estimated membership 11,000, and an estimated business of \$1,850,000. Fewer in number and with less business are associations that handle grain, livestock, wool and mohair, and miscellaneous selling.

Tracing the cooperative movement back, it is shown that 24 percent of New York farms reported sales of purchases through cooperative organizations in 1929. New York was surpassed by the following six other States: Minnesota, Iowa, Wisconsin, North Dakota, Michigan, and South Dakota.

Also in 1929, farms that reported either cooperative sales or purchases, or both, numbered 38,239 in New York State. Sales and purchases totaled more than \$64,000,000. In volume of business at that time, New York trailed California, Minnesota, and Iowa.

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DROUGHT POINTS TO NEED OF CULLING ILLINOIS DAIRY HERDS

In view of the prospects of feed scarcity, Illinois dairy farmers who prepare for the winter by culling inefficient producers in their herds will have a decided advantage is the promise of J. G. Cash, extension specialist in dairying, College of Agriculture, University of

Illinois.

Losses from low producing, inefficient cows become greater as prices for grain increase, Mr. Cash states. Although low producers may return a small profit over feed costs when feed prices are low, as the cost of feed advances, this margin of profit disappears.

The average Illinois dairy cow last year produced 180 pounds of butterfat, while the average of all cows on test by dairy herd improvement associations, in the State was 312 pounds of fat, he points out. A study of the records show that the feed cost of producing a pound of fat for the cows averaging 312 pounds of butterfat was 10 cents a pound less than the feed cost of producing a pound of fat for the cows averaging 180 pounds for the year.

"In other words," Mr. Cash says, "the returns above feed costs for all cows on dairy herd improvement association test with an average production of 312 pounds of butterfat for last year were three times as large as the returns above feed costs for the cows with an average of 180 pounds of fat.

"Accurate culling will be made easy for members of dairy herd improvement associations, since production and feed records are available for each cow. These records also serve as a measure in the breeding program."

The work of dairy herd improvement associations is sponsored by the extension service of the College of Agriculture. Last month, 20,258 cows comprising 1,131 herds in Illinois were on test by these associations.

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DROUGHT HAS BUT SLIGHT EFFECT ON RETAIL BEEF PRICE

Illinois homemakers on their regular visits to the grocery and meat market find that retail prices of beef have been less affected by the drought than have fruits, vegetables, and dairy products. This fact is pointed out by Sleeter Bull, professor of meats, College of Agriculture, University of Illinois, as homemakers everywhere observe national beef month.

"Usually less meat is eaten in summer than in winter because fresh fruits and vegetables are ordinarily plentiful and cheap during summer months and consumers just do not care so much for meat on hot days," Professor Bull explains. "However, this year the thrifty homemaker can economically feed her family on more meat.

"Furthermore," he continues, "the homemaker who desires to make every nickel count should not pass up the forequarter cuts. During hot weather homemakers rightfully object to heating up the kitchen for the long cooking of roasts, pot-roasts, and stews and choose steaks instead. Since the best steaks come from the hindquarter of the beef, the butcher must get enough for them to make up for his loss on the less popular forequarters cuts.

"There is as much food value in a chuck steak at 20 cents a pound as in a porter house at 40 cents. And if properly cooked the forequarter cuts are just as palatable," says Professor Bull.

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The Bureau of Agricultural Economics has the following recent market summaries available for distribution:

Marketing California Grapes, 1935 Season

Brief Review of the 1936 Cantaloup Season

Brief Review of the 1936 Eastern Shore Potato Season

SUSPENSION OF BOSTON MILK PROGRAM
RESULTS FROM COURT DECISION THERE

Temporary suspension of Order No. 4 regulating the handling of milk in the Greater Boston, Mass., marketing area, was announced August 5. The suspension was made effective as of 12:01 A.M., August 1.

In connection with the suspension it was announced that the Department of Justice had been requested to perfect an appeal from the adverse decision on the Federal milk marketing program in Boston which was rendered July 23 by Judge Brewster in the case of United States vs. David buttrick, et al, and that the suspension would probably remain in effect pending and during that appeal.

Despite the suspension of the Boston milk order, the office of the Market Administrator will be continued for the purpose of studying proposals designed to prevent the situation surrounding the marketing program from having an adverse effect upon the economic condition of farmers throughout New England.

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MILK MARKETING AGREEMENT
APPROVED FOR TOPEKA, KANSAS

Final approval of a marketing agreement for handlers of milk in Topeka, Kansas, marketing area was announced August 7. The agreement, signed by all handlers who buy milk from producers on the Topeka market and favored by the Shawnee County Milk Producers' Association, will become effective August 16.

Designed to maintain improved marketing conditions for milk producers who supply the Topeka market, the agreement provides for the continuance of a program similar to that which has been in effect in that area for nearly 2 years under a license for milk distributors. The new program was considered at a public hearing held in the marketing area May 27. Its development was requested by both producers and handlers.

The principal provisions of the agreement govern the classification of milk on a use basis, the establishment of prices which handlers are required to pay producers for milk bought, and the operation of a market-wide pool for the equitable distribution of returns to producers. Administration of the marketing program will be through a market administrator, as has been the case under the license.

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PENNSYLVANIA MAKING DRIVE
ON MEASURING STOCK

The "Big Stick" is after the milk measuring stick in Pennsylvania. Dairy inspectors of the Bureau of Markets of the State Department of Agriculture, under specific orders from Secretary J. Hansell French, recently launched a State-wide campaign to abolish the use of the measuring stick for measuring milk in dairies.

On July 3 Secretary French declared the measuring stick inaccurate and not an approved method for measuring milk. He outlawed its use in all Pennsylvania milk plants buying milk from farmers.

REVISED 1936 PUERTO RICAN SUGAR
MARKETING ALLOTMENTS ANNOUNCED

Announcement was made August 6 of the revised sugar marketing allotments to Puerto Rican processors in accordance with the increased Puerto Rican quota established by General Sugar Quota Regulations, Series 3, Revision 2. The allotments are contained in Puerto Rico Sugar Order No. 4, Revision 2, which was signed by the Secretary of Agriculture on August 4, 1936, and were made pursuant to the provisions of the Jones-Costigan Act and Public Resolution No. 109, 74th Congress.

The new allotment order provides that out of the total revised 1936 quota of 882,084 short tons, 55,428 short tons are marketable from surplus stocks and 826,656 short tons from current processings. It is estimated that about 140,000 tons of sugar will be available in Puerto Rico for additional allotments or reserve stocks.

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PENNSYLVANIA WHEAT FINDING
NEW FOREIGN MARKETS

Pennsylvania wheat is constantly finding new foreign markets, says J. Hansell French, Secretary of Agriculture, in a recent announcement. This extension of markets, has occurred in spite of a world wheat surplus and restrictions in virtually every country against wheat imports, he adds. That wheat is also finding wider usage in other States.

Mr. French points to the following expenditures made by foreign countries in recent years to maintain wheat prices:

France, since 1933, \$582,002,400; Italy, since 1925, \$2,381,517,-600; Spain, since 1933, \$629,180,000; and Germany, since 1929, \$754,-370,000.

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TOTAL COUNTIES ON DROUGHT
LIST NOW TOTAL 890

Twenty-seven counties in Kansas and one county in Texas were placed on the emergency drought list August 8 by the Drought Committee of the U. S. Department of Agriculture.

With the new designation, the official drought list for the entire country includes 890 counties in 21 States. The designation by the committee serves as a guide for Governmental agencies in providing aid to farmers in the drought regions.

Twenty-seven counties in Kansas were certified as drought areas on July 24, bringing the total for the State to 54. The total in Texas is now 13 counties, the first 12 having been named August 4.

The 28 counties designated on August 8 are as follows:

Kansas: Allen, Barton, Bourbon, Butler, Chase, Clark, Douglas, Elk, Ellsworth, Ford, Gray, Greenwood, Johnson, Lincoln, Lyon, Meade, Morris, Ness, Republic, Seward, Shawnee, Sherman, Thomas, Trego, Wabaunsee, Woodson, Wyandotte.

Texas: Knox.

MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

August 19, 1936

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U. S. Department of Agriculture

Vol. 16, No. 34

NEW COTTON STANDARDS IN EFFECT THIS WEEK

American upland cotton will be graded on and after August 20, according to the new grade standards which will go into effect on that date, Dr. A. G. Black, Chief, Bureau of Agricultural Economics, has announced.

The number of grades has been reduced from 37 to 32, the latter to include 9 grades for white cotton, 7 for extra white, 5 for tinged, 3 for gray, 5 for spotted, and 3 for yellow stained. Of the total only 13 are represented by grade boxes, namely, 8 white grades, Strict Good Middling to Good Ordinary, inclusive, and the 5 tinged grades Good Middling to Low Middling, inclusive. All of the other grades are descriptive.

The new white grades are shifted to include whiter cotton and the more creamy bales in the white grades have been eliminated, since such cotton could not be found in quantities sufficient to make copies of the old standards. The grades for blue stained and for Strict Good Middling tinged have been dropped.

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NORTH DAKOTA FARMERS BUILDING SHEEP FLOCKS

Farm flocks of sheep are being established on many northeastern North Dakota farms this summer as a result of a heavy movement of ewes and lambs from drought territory, particularly from the southwest part of the State, according to North Dakota Agricultural College.

This shifting of flocks is being fostered by the North Dakota Extension Service as a service both to farmers in the drought region and to farmers who have surplus roughage to feed. It is estimated that 50,000 head of ewes and lambs will be shifted.

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DAIRY COOPERATIVES DOING BIGGER BUSINESS

Dairy cooperatives had an \$80,000,000 increase in business during the 1935-36 marketing season compared to 1934-35, according to the Farm Credit Administration. Sales of 2,270 dairy cooperatives reporting from 45 States totaled \$520,000,000 during the recent season. The figure for reporting associations in 1934-35 was \$440,000,000.

The grain was the largest for any year since before the depression the higher price level on dairy products accounting for a part of the increase. About 720,000 dairymen market through cooperatives.

LOUISIANA FARMERSTRUCKING STOCK TO MARKET

Farmers in more than two-thirds of the parishes in Louisiana send their livestock to the New Orleans Stockyard by motor truck. Cattle and calves fill most of the shipments. New Orleans Extension Service, reporting these facts, says that a few years ago the great bulk of the receipts at the local yards arrived by rail. Of total receipts from all States during the last 12 months, 62 percent arrived by truck and the remainder by rail. Eighty-six percent of the shipments by Louisiana farmers was by truck.

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CALIFORNIA GETSFIG DIVERSION PLAN

Low quality substandard dried figs will be diverted from normal channels of trade to byproduct uses under a program recently approved by Secretary Wallace, the program to be operated under an agreement between the Secretary and the Pacific Dried Fruit Products Association. The program seeks to increase returns to growers by removing low quality dried figs from the market and supplements efforts begun by the industry in 1934 to improve the average quality of dried figs by better cultural methods.

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MINNESOTA EXPECTSHIGHER DAIRY PRICES

Minnesota dairymen may reasonably expect higher prices during the remainder of this year, according to Dr. Warren C. Waite, University of Minnesota.

Butter prices up to the first of June maintained a level somewhat higher than during the corresponding period in 1935 with production running somewhat stronger this year. Production dropped sharply after June 1, and will probably run smaller from now on through the winter, says Dr. Waite.

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COLORADO GROWERS GETMARKETING AGREEMENT

A marketing agreement covering fresh peas and cauliflower grown in six Colorado counties was recently approved by the AAA. Principal provisions seek to regulate railroad shipments, to regulate shipments by grades and sizes, and to establish a control committee to administer the program. The program is designed to help the industry to adjust shipments to market requirements. The territory produced and marketed last year more than 455,000 hampers of peas and 439,000 crates of cauliflower.

FARM INCOME EXPECTED
TO CONTINUE ADVANCE

Farm income during the last six months of 1936 probably will continue to exceed that of the same period last year, the Bureau of Agricultural Economics said this week. Drought has caused a sharp increase in prices of farm products, but the bureau said that as new crops begin to move to market, the gain in income will be less than is usual for this season of the year. During the past month, sharp advances in prices of all grains and dairy products more than offset slight decreases in prices of livestock, wool, and cotton.

The bureau stated that the tendency to sell off brood sows and to market 1936 spring pigs early because of feed shortage may prevent much further seasonal advance in hog prices this summer and may cause the seasonal decline this fall to be greater than average. Decline in hog prices this fall, it was stated, is likely to be followed by a marked seasonal advance in late winter and early spring when marketings are likely to be relatively small.

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NEW YORK GATHERING
RETAIL PRICE DATA

A study of retail prices to farmers in the years preceding the World War, from 1909 to 1914, is being made by New York College of Agriculture in cooperation with the United States Department of Agriculture. The purpose is to determine farm expenditures, living costs, and the buying power of farmers' incomes in those years for comparison with similar figures for recent years. Many other States are cooperating with the Federal department in a national survey of prices paid by farmers.

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FEED SUPPLY LARGER
THAN TWO YEARS AGO

The Nation's livestock feed supplies, although much less than the 1928-34 five-year average, are in general more ample than two years ago when the severe drought forced the liquidation of large numbers of livestock, Secretary of Agriculture Wallace recently stated.

The relationship between feed supplies and livestock numbers varies materially by States, but Secretary Wallace said that for the entire country the production of both feed grains and hay per animal unit in 1936 is larger than in 1934. The condition of pastures for the United States as a whole was reported as slightly better than on August 1 two years ago.

A report by the Department of Agriculture Drought Committee stated that the 1936 feed grain production per animal unit is only 62 percent of the 1928-32 average but 114 percent of the small production in 1934. The most seriously affected State is North Dakota, where this year's production in relation to livestock numbers is 15 percent of average, and about half that of 1934.

FLORIDA TO HOLD
ORANGES OFF MARKET

Florida State officials have assured the United States Department of Agriculture that there will be withheld from market at all times all oranges which are so unripe as to fall below the standard of 8 parts of sugar to 1 of acid, and which may be artificially colored so as to conceal inferiority.

The Department had announced that after September 1 this year, Federal action would be taken under authority of the Food and Drugs Act in cases where oranges were colored to conceal inferiority. Such fruit, even though satisfactorily labeled, would be deemed adulterated, under the Act.

The Department, in view of the action taken by Florida State officials in preventing the marketing of "adulterated" fruit, has now agreed to extend the date upon which it had intended to invoke the provisions of the Food and Drugs Act, from September 1, 1936 to September 1, 1937.

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HIGHLIGHTS ON THE ECONOMICS FRONT

The Bureau of Agricultural Economics reported this week: The total wheat crop of continental Europe, excluding the Soviet Union, Will be smaller than any of the European crops of the past three or four years...

New regulations under the Cotton Futures Act and the Cotton Standards Act effective August 20, 1936, will be available for distribution within a few days...

Total supplies of wheat in the United States for the 1936-37 season are large enough for the usual domestic requirements, with short supplies of two types - red spring wheat and durum...

The combined Chinese and Manchurian production of oil seeds, including soybean, sesame, peanuts, cotton, rape, hemp, perilla and linseed, is expected to be much larger in 1936-37 than in the 1935-36 marketing period...

A sharp decrease in egg production is reported. The average production of eggs per hundred hens on August 1 for the country as a whole was 35.8 eggs. This was much less than the comparable figure of 38.2 eggs on that date last year, and less than the five-year average of 37.3 eggs...

World wool supplies for the coming year will be about the same as last year. A probable slight increase in world production will be about offset by a reduction in the stocks carried over in virtually all countries except Japan...

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MIMEOGRAPHED REPORTS obtainable from the Bureau of Agricultural Economics are: "Midsummer Wheat Outlook"; "Marketing Northwestern Fresh Prunes, 1935 Season"; "United States Standards for Rough Rice"; "Midsummer Livestock Outlook"; "Quality of Cotton Linters Produced in the United States, Season 1933-34 and 1934-35"; "Marketing California Grapes, 1935 Season".

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August 26, 1936

Vol. 16, No. 35

DROUGHT CUTS FOOD

SUPPLY ONLY 3 PERCENT

The Bureau of Agricultural Economics reported today that despite the drought the total food supply for the 12 months ending next June will be only 3 percent less than in the preceding 12 months, and 1 percent less than in 1934-35. Since exports of many of these products probably will be less than in the previous year, it was stated, the supply of food available for domestic consumption will be almost as large as last year.

The bureau reported that the drought has been particularly severe on feed crops, spring wheat, potatoes, and vegetables for canning. The short feed supply is expected to result in heavy marketing of live-stock during the first half of the marketing year. These increased marketings, together with the larger spring pig crop of 1936, are expected to maintain meat production at slightly above last year's level.

Compared with last year, the bureau reported a 2 percent increase in the supply of meats other than poultry, a 2 percent increase in supplies of poultry meats, and a 2 percent increase in the supply of eggs. Other foods for which increases are reported are lard, wheat, and rice. The food in shortest comparative supply is Irish potatoes, of which there will be 24 percent less than last year. The supply of milk, excluding butter, in terms of whole milk, will be 5 percent less, butter 6 percent less, fresh fruits 18 percent less, canned fruits 5 percent less, dried fruits 18 percent less, sweetpotatoes 20 percent less, canned vegetables 12 percent less, and dry beans 15 percent less.

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MISSISSIPPI HAS

CREAM GRADING LAW

A cream grading law was put into effect in Mississippi this summer, authorized by the Mississippi Legislature. The law is administered by Mississippi Department of Agriculture and Commerce, of which J. C. Holton is the Commissioner.

The law defines cheese factories, creameries, ice cream factories and cream used for butter making, regulates the buying and selling of cream for butter making purposes, fixes the price differential, and provides for inspection and for certain fees and penalties.

Commissioner Holton reports that a series of cream grading schools were held at strategic points over the State, this summer, at which cream buying agencies were fully represented. One hundred seventy-six buyers have been issued cream grader's licenses. He says that since

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the program was begun, the license of one cream station has been revoked and four operators required to pay the minimum fine of \$25 and costs for violating various sections of the law. He notes also a marked improvement in the quality of cream being delivered for butter-making purposes. Producers are taking better care of their cream and delivering more frequently, he says.

Detailed provisions of the law and the manner in which it is being administered are obtainable from Commissioner Holton, Jackson, Miss.

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NEW JERSEY STARTS

NEW CONSUMER SERVICE

A service designed to report monthly on the retail costs of food in New Jersey has been put into operation by New Jersey Department of Agriculture. Food costs are to be collected periodically from 400 retail stores located in two districts of which Newark and Camden are central points. Figures from these areas are considered to be typical for the State as a whole. The initial report, issued this week, says there was a moderate but definite advance in retail costs of many foods bought by consumers in New Jersey during July. Although there were some outstanding exceptions to the general price advance, the report says that most housewives are confronted with average retail prices for all foods that are 3.61 percent higher than those prevailing a year ago. The statement follows with detailed prices on specified foods.

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ILLINOIS FARMERS HIKE

OUTGO MORE THAN INCOME

Illinois farmers last year increased their cash farm expenditures by 38 percent over the previous year, while their income increased only 18 percent, Illinois College of Agriculture reports on the basis of records kept by 1,600 farmers.

Average cash farm expenditures were \$740 more last year than in 1934, while cash income was only \$665 more. Commenting on the reports, H. C. M. Case of the Illinois Department of Agricultural Economics says:

"As farm income increases and is fairly well maintained beyond a certain minimum level, the farm market for machinery, buildings and other goods and services increases out of all proportion to the actual percentage increase in income.

"Under conditions as they were in 1934, practically half the income was used for these fixed expenses. In 1935, with an increase in income, farm business expenditures rose a like amount, the large increases coming in the purchase of machinery, improvements, and live-stock.

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BUREAU MAKING STUDIES

OF LARGE-SCALE MARKETING

A study of the effects of large-scale processing and distribution upon the marketing of farm products is being made by the Bureau of

Agricultural Economics in cooperation with several State Experiment Stations. A project under way with New Jersey Experiment Station relates to the marketing of fresh fruits and vegetables in the Northeastern States. The bureau hopes to start a somewhat similar project for dairy products, with Wisconsin Experiment Station this fall.

The bureau seeks to discover the changes which have taken place during the last fifteen years in methods of handling farm products as a result of chain stores and other large corporate handlers in the field, to evaluate the significance of these changes for agriculture, and to try to work out modifications in marketing methods and organizations which will help producers better to meet the new situation.

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NEW HAMPSHIRE GETS LOWER EXPRESS RATES

The Railway Express Agency has announced a 50 percent reduction in the first class rate on apples shipped from New Hampshire to all points in New England, to New York City and to certain other designated markets in the states of New York and New Jersey. The reduction is to become effective September 1. The minimum charge on any shipment will be 35 cents.

New Hampshire Department of Agriculture commented this week that this reduction in express rates will invite increased activity in direct shipments from producers to consumers. It should aid in expanding, the department said, the outlet for the special consumer packs of Extra Fancy apples carrying from 1 dozen to 100 apples.

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CONNECTICUT ISSUES REPORT ON MARKETING

Connecticut Bureau of Markets has just issued a statistical report on "The Marketing of Agricultural Products in Connecticut, 1935." The book covers the marketing of livestock, potatoes, poultry and eggs, tobacco, and vegetables. It brings out that nearly \$16,000,000 worth of milk was produced in the State last year, nearly \$10,000,000 worth of chickens and eggs, \$5,000,000 worth of vegetable products, \$1,500,000 of fruit products. The bureau says that Connecticut "leads every State in average per acre value of all farm products." The per acre value of farm crops in Connecticut was \$57.17 last year. Copies of the publication may be obtained from Connecticut Bureau of Markets, Hartford, Conn.

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GOVERNMENT AMENDS RICE STANDARDS ON MOISTURE FACTOR

Government standards for milled and brown rice have been amended by the Department of Agriculture, with regard to the basic method of determining the moisture content of the rice as a grade factor.

Heretofore, the basic method has been specified as the Brown-

Duvel method, which consisted of boiling the rice in oil and measuring the water distilled during the test. Under the amendment, the basic moisture test is specified to be made by the air oven method, which consists of heating the grain in an air oven and measuring its loss of weight to indicate the moisture content.

Other methods which will give equivalent results to the air oven method are permissible under the amendments. One uses the Tag-Heppenstall electric moisture meter which gives practically instantaneous moisture readings, and the other uses the Brown-Duvel tester which requires about 30 minutes for making the test.

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NEXT WORLD POULTRY CONGRESS TO BE HELD IN UNITED STATES

The seventh World Poultry Congress will be held in the United States in August 1939, it was announced this week by officials of the sixth Congress recently held at Leipsig, Germany. Dates and the host city will be announced later by the Poultry Science Association.

Forty-two countries took part in the Congress at Leipsig, and 21 of these countries had exhibits. Dr. John R. Mohler, Chief of the Bureau of Animal Industry, was chairman of the American delegation at Leipsig.

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REPORTS SHOWS JUMP IN MOTOR TRANSPORTS

The increasing part played by the motor truck in the marketing of farm products is brought out in a report recently issued by the Bureau of Agricultural Economics covering truck receipts of fresh fruits and vegetables at 11 important markets for the years 1935 and 1934.

The bureau points out that the records of truck receipts of fresh fruits and vegetables are based upon the best available information compiled from daily records, that except as noted they cover practically all the receipts by truck at both the wholesale and the farmers' markets in each city, but that it is impossible to obtain either actual or estimated figures of stocks hauled direct to consumers or retail stores.

The markets are Atlanta, Boston, Chicago, Denver, Kansas City, Los Angeles, Milwaukee, New York, Pittsburgh, St. Louis, and San Francisco. Truck receipts at these markets in 1935 totaled an equivalent of 176,513 carloads, compared with 157,241 carloads in 1934. During the same period the unloads by rail and boat declined, from 318,755 carloads in 1934 to 311,473 carloads in 1935.

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CHINA EXPECTS TO HARVEST THIS YEAR the biggest cotton crop in its history - 3,400,000 bales compared with 2,600,000 bales last season, the Bureau of Agricultural Economics reported this week. The crops in the five years ending with the 1934 harvest averaged 2,471,000 bales annually. The 1934 crop was 3,100,000 bales. The Chinese Government has been actively encouraging an expansion in cotton production.

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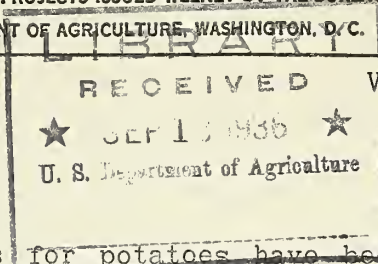
STATE AND FEDERAL MARKETING ACTIVITIES

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September 2, 1936

GOVERNMENT POTATO STANDARDS REVISED



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The United States standards for potatoes have been revised by the Bureau of Agricultural Economics, "in order that they may be more adaptable for exchange trading" under provisions of the Commodity Exchange Act. A new grade named U. S. Extra No. 1 has been added to the standards and a few changes made under the definitions of terms.

The Commodity Exchange Act goes into effect September 13, 1936. It requires that all contracts of sales of potatoes for future delivery on a contract market shall provide for the delivery thereunder of potatoes of grades conforming to the United States Standards if such standards have been officially promulgated by the Secretary of Agriculture.

No change has been made in the requirements for grade U.S. No. 1. The requirements for U.S. No. 1 and U.S. Extra No. 1 potatoes are the same except as to size and freedom from dirt. Unless otherwise specified, U.S. Extra No. 1 potatoes which are classified as long varieties must have not less than 60 percent of the potatoes 6 ounces or larger, of which not less than one-half or 30 percent, must be 10 ounces or more in weight and round or intermediate shaped varieties must have not less than 60 percent of the potatoes $2\frac{1}{4}$ inches or larger, of which not less than one-half or 30 percent, must be $2\frac{3}{4}$ inches or larger in diameter. U.S. Extra No. 1 potatoes are required to be cleaner than U.S. No. 1 potatoes.

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CALIFORNIA DEPARTMENT RAISES MILK PRICES

An increase of 10 cents per pound of milk fat for all milk used as fluid milk for consumption within the Los Angeles, California, county marketing area was announced this week by California Director of Agriculture A. A. Brock, in approving an amendment to the Los Angeles milk marketing plan. Under the amendment, distributors will pay producers 69 cents per pound milk fat. The amendment provides also that a price of 22 cents per pound milk fat over the average monthly quotations for 92 score butter on the Los Angeles produce exchange be paid for milk fat used from fluid milk to produce cream for sale in the Los Angeles county marketing area.

Director Brock announced also an increase of 10 cents in Alameda county, where distributors will pay producers at a rate of 72 cents per pound milk fat. Producers in the Sacramento marketing area will receive 65 cents per pound milk fat for that portion of milk used by distributors for sale as whole milk.

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PENNSYLVANIA UNCOVERS
MAPLE SYRUP FRAUDS

With the arrest of ten grocers and the prosecution of three alleged manufacturers, Pennsylvania Department of Agriculture believes it has broken up the maple syrup adulteration racket in Western Pennsylvania.

The grocers turned State's evidence and were dismissed. One manufacturer plead guilty and was fined. Two other manufacturers are alleged fugitives from justice.

Secretary French of the Department ordered a secret State-wide investigation recently when State food agents picked up several widely separated samples of a product labeled as "genuine maple syrup" but which upon analysis proved to be sugar syrup with imitation maple flavoring. The product cost about 20¢ a gallon to manufacture and sold for \$1.50 a gallon.

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FARM INCOME AND PRICES
HIGHEST IN YEARS

A new high total in farm income for the recovery period was reported last week by the Bureau of Agricultural Economics. Total income from marketings and government benefit payments during the first seven months of this year was \$4,024,000,000. In the corresponding period of 1935 the total was \$3,426,000,000. There was a sharp increase in July this year due chiefly to higher prices and larger marketings of grain, especially wheat. A strong consumer demand for farm products and a prospective decline in farm marketings later in the season are sustaining farm prices despite larger supplies of some commodities now being marketed, it was stated.

Income the remainder of this calendar year is expected by the bureau to continue higher than in the corresponding months of 1935, in view of improved consumer demand and probable continuance of heavy livestock marketings.

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MASSACHUSETTS EXPECTS
POULTRY HATCH TO INCREASE

Massachusetts State College reported today that the number of pullets purchased this fall to produce eggs for fall hatching, in that State, will probably exceed that of most recent years. Fall hatching is definitely on the increase, it was stated, as Massachusetts poultrymen are continuing programs to bring about uniform egg production through the year.

Massachusetts Extension Service has learned in studies that the consumer pays 13.6 cents more a dozen for eggs from July 1 to December 1 than during winter and spring months, mainly because most chicks are hatched in March and April and come into production after December. Poultrymen now plan to hatch chicks in odd lots over the year and have eggs at reasonable prices throughout.

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STANDARD GRADES for flue-cured tobacco (U.S. Types 11, 12, 13, and 14) have been issued by the Bureau of Agricultural Economics.

BUREAU ISSUINGCOTTON QUALITY REPORTS

Reports indicating the quality of the cotton crop as it is ginned are being issued each Saturday this season by five field offices and Washington headquarters of the Bureau of Agricultural Economics. The field offices are at Atlanta, Ga.; Austin, Dallas, and El Paso, Tex.; and Memphis, Tenn. The reports cover only cotton which is classed by the bureau's classers - not total ginnings - but these classifications may be considered as representative of ginnings in the states and regions covered.

The bureau will issue at Washington, in late September, a grade and staple report showing the quality of this year's cotton carryover as of August 1. Monthly thereafter it will issue grade and staple reports on all cotton ginned up to the first of October, November, and December this season. On April 16 next it will issue a report on the quality of this year's total crop.

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EASTERN TRUCKERS SELLMORE TO CHAIN STORES

The large chain store systems operating in Pennsylvania are buying vegetables from local growers because of the failure of shipments from other States which normally undersell Pennsylvania growers, according to Secretary J. Hansell French of Pennsylvania Department of Agriculture.

The extent of this new demand upon local production was recently revealed by a sudden and unusual demand for State inspection of wholesale purchases by the chain store systems. Many lots of tomatoes, egg plants, sweet potatoes, onions, peppers, ears of corn, cabbages and green beans have been inspected for consignment to these markets. Failure of out-of-State shipments is due to the drought.

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FARMERS CAUTIONEDAGAINST FOREIGN SEED

The Bureau of Plant Industry has issued a statement that farmers who may plan to buy imported alfalfa and red clover seed must consider the limited adaptability of seed of these crops from foreign countries. Turkistan alfalfa, for instance, is not adapted to the southern or eastern sections of the United States, nor is Italian, Argentine and South African alfalfa adapted to the northern section. Foreign red clover seed, with the possible exception of Canadian, is not adapted to the red clover belt of the United States. If domestic red clover seed is not available, farmers are advised to consider using other legumes such as alsike clover, sweet clover, alfalfa and lespedeza, rather than foreign red clover seed.

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THE BUREAU OF AGRICULTURAL ECONOMICS announced this week that the smallest world supply of American cotton since 1929 is in prospect. The supply is estimated at about 19,600,000 bales. The peak supply - 26,000,000 bales - was in 1931.

WORKERS' EARNING KEEP
PACE WITH FOOD PRICES

By L. H. Bean

Economic Advisor, Agricultural Adjustment Administration

Employed consumers can still buy more food with their present earnings than they were able to buy in 1928 or 1929, in spite of the record droughts of 1934 and 1935.

The effect of the drought has been to bring food prices more closely in line with the average of other living costs. An advance of about 50 percent in earnings per employed factory worker during the past three years has enabled workers to pay higher food prices to compensate farmers in part for their crop failures. Comparable data for the unemployed and those on relief are not available.

During the past 10 years, earnings per worker employed in factories have fluctuated with changes in the level of food prices. Both fell over 40 percent between 1928 and the early part of 1933, and both have advanced substantially from the low point of the depression, with food prices lagging somewhat. Food prices have made three successive advances; one in 1933 due to general recovery measures, again in 1934-35 chiefly as a result of 1934 drought, and again this summer as a result of this year's drought; but the entire food price advance between March 1933 and July 1936 is measured by an index of 82 for July 1936 compared with 58 in March 1933 and 100 in 1928. This represents a rise of 24 points, or 41 cent as compared with a previous decline of 42 points, or 42 percent.

Food prices, in other words, are still 18 percent below their 1928 level and 21 percent below the level for the corresponding month of 1929. Earnings of employed factory workers have risen during the same period from an index of 59 in March 1933 to about 88 in July 1936 compared with 100 in 1928. This represents an advance of 29 points or nearly 50 percent contrasted with a previous decline of 41 points or 41 percent. Earnings per person employed in factories are thus about 12 percent below those of 1928 as contrasted with food prices which are 18 percent below.

The ability of the average factory worker to buy his usual quantity of foods is still greater than it was in 1928. By 1931, retail food prices had definitely fallen more than the average earnings of employed factory workers, and that relative gain of consumer purchasing power for foods has continued and was, in fact, greater during the first half of 1936 than in any of the previous five years. Contrasted with the situation in 1928, food prices at 82 and factory wage earnings at 88 gives the latter a purchasing power in exchange for food over 7 percent greater than in 1928. Contrasted with the situation at the bottom of the depression, at the beginning of 1933, the rise in food prices of 41 percent and the rise in factory wage earnings of 50 percent gives the latter a purchasing power in exchange for food about 6 percent greater than in March 1933.

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STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

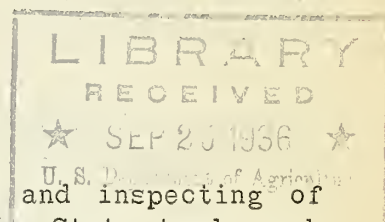
A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

September 14, 1936

Vol. 16, Nos. 36 and 37

L. E. 37/38

VIRGINIA ALLOWS CANNERS TO USE STATE TRADE-MARK



Rules and regulations covering the grading and inspecting of canned tomatoes and permitting the canners to use a State trade-mark on their products were recently issued by Virginia Division of Markets.

Canners who meet the requirements of the service will be allowed to label products with an outline map of the State of Virginia, with the words: "Quality Certified - Virginia Division of Markets. The label will show the grade of the tomatoes; as Grade A - Fancy, Grade B - Extra Standard, Grade C - Standard. Below the map will appear the words: "Representative samples from the lot inspected found to meet the above grades". Division representatives will inspect samples at canning plants; after the tomatoes are canned, samples will be inspected by a Supervising inspector who will issue certificates showing the grade authorized or permitted to be used on the trade-mark.

The grades used are those issued by the U. S. Bureau of Agricultural Economics. Canners using the service will be required to pay the salary of the inspector in the plant, and one-fifth of a cent per case for each certificate issued. Several packers in Tidewater Virginia are using the service this season. Copies of the rules and regulations may be obtained from J. H. Meek, Director, Division of Markets, 1030 State Office Building, Richmond, Va.

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MISSISSIPPI COMMISSIONER REPORTS ON NEW COTTON PICKER

Following recent demonstrations of the Rust cotton picker, Commissioner J. C. Holten of Mississippi Department of Agriculture announced that "the mechanical picking of cotton, sought since invention of the cotton gin, and probably nearer now than at any other time, is not yet an accomplished fact."

Commissioner Holt said that "among objectionable features, the machine picks occasional green leaves. The most serious objection, is the amount of cotton - estimated as low as 8 percent and as high as 25 percent - that is knocked to the ground, where it gathers dirt and trash and must be picked up by hand. The effect of these factors upon grade and price will be determined by experiments extending through ginning and spinning."

The Commissioner concluded that "undoubtedly the Rust machine will pick cotton; but in view of the objections listed, together with

the cost and the fact that it must be operated on large fields of even size and maturity, further perfections must come before its use is general."

The Rust cotton picker, mounted on rubber tires, is drawn and powered by a rubber-tired tractor. Cotton plants enter the throat of the picker and hundreds of moistened spindles pick the cotton, which is elevated to a huge bag. Two trips to the row are necessary, and about one acre per hour is harvested. The Commissioner said the cotton is picked fairly clean, and stalks and unopened bolls not materially injured.

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REGULATIONS REVISED ON INTERSTATE CATTLE MOVEMENT

Revised regulations of the United States Department of Agriculture, now in effect, remove certain restrictions on the interstate movement of cattle from tuberculosis-free areas and further restrict shipments of cattle not in such areas.

In States and counties where bovine tuberculosis exists among less than one-half of 1 percent of the cattle, owners are permitted to ship their animals interstate with less inconvenience than formerly. But range and semi-range cattle and steers from non-accredited localities, when shipped for purposes other than slaughter, must be tuberculin tested before admission to modified accredited areas.

Copies of the new regulations may be obtained from the Department. The officials point out that the changes involve Federal regulations only. For existing State regulations, the livestock sanitary authorities in the States should be consulted.

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CORN BELT FARMERS TO MEET ON 1937 CONSERVATION PROGRAM

Community meetings at which farmers will consider and make their recommendations for a 1937 agricultural conservation program will be held in the 10 Corn Belt States of the North Central Region, beginning the week of September 21, the Agricultural Adjustment Administration announced this week.

The community meetings will be followed by county committee meetings in October and State meetings in November and December in order that a definite program may be ready for farmers by the first of the year.

Meetings within States in the Southern Region are under way, and meetings already held in the Western Region. A regional meeting for the Northeast Region was held last month. The 10 States in the North Central Region are Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, Nebraska, Ohio, South Dakota, and Wisconsin.

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"COST OF PRODUCING FARM PRODUCTS IN NORTH CAROLINA" is the title of a bulletin recently issued by North Carolina Experiment Station, Raleigh, N. C. It gives costs of producing cotton, tobacco, and early Irish potatoes.

SALES BY FARMERCOOPERATIVES INCREASE

Farmers' cooperative fruit and vegetables associations in the 1935-36 marketing season did a business of \$212,000,000, or 6 percent more than in the preceding year, according to the Farm Credit Administration. More than 166,000 farmers and growers sold fruit and vegetables through cooperative associations as compared with 158,000 in 1934-35. Cooperative marketing of citrus fruit accounted for the major part of the business.

Farmers' cooperative livestock marketing associations reported a business of \$250,000,000 compared with \$175,000,000 in 1934-35. More than one-half of the 600,000 farmers and stockmen marketing livestock through cooperatives are in Minnesota, Illinois, Missouri, Iowa, and Ohio. The largest of the cooperative terminal-market sales agencies handled more than 1,000,000 animals for its farmer patrons during 1935.

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NORTHEASTERN POULTRYMEN WANTNEW YORK CONDITIONS CORRECTED

A current and long-time program to correct conditions in the New York poultry market is being sought by the Northeastern Poultry Producers Council, to be formulated by a committee meeting with Federal, State and City officials. The Council recommends, among other things, the re-location of terminal centers, improved methods of dressing poultry, the use of the small coop or basket instead of the long coop, and the development of a market news reporting service relative to expected receipts.

Copies of resolutions covering this and other subjects by the Council at its recent annual conference at Orono, Maine, may be obtained from Sidney A. Edwards, Connecticut Department of Agriculture, Hartford, Conn.

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SEED CORN LOAN PROGRAMANNOUNCED BY SECRETARY

Secretary Wallace announced last week an emergency Federal seed corn loan program to assure farmers in drought areas of the Corn Belt that adequate supplies of seed corn will be available for planting next spring. Funds have been provided by a commitment of up to \$10,000,000 from the Reconstruction Finance Corporation. There will be two types of loans on farm-stored seed corn: (1) a loan of \$1.75 a bushel on field-selected corn which meets the proper germination and storage requirements; (2) a loan of 55 cents a bushel on good quality and properly stored cribbed corn which can be sorted for seed at a later date. Each loan agreement carries with it an option right of purchase by the Government at a rate considerably above the loan value rate. Field work in connection with the program will be supervised by the AAA.

LEGAL AND ILLEGAL EGGS

By S. S. Rogers

Chief, Bureau of Fruit and Vegetable Standardization
California Department of Agriculture

The California egg standardization laws set certain grades and sizes under which eggs may be sold and further defines certain defects which when found in eggs restrict their sale for human consumption. Section 1101 of the Agricultural Code defines eggs that are unfit for human consumption as those that are addled or moldy or contain black spot, black rot, white rot or blood; or if the egg is filthy, decomposed, putrid or has an adherent yolk it cannot legally be sold for human use.

In our work throughout the state we have found considerable quantities of eggs in grocery stores having these defects and have taken them from the channels of trade. During the warm months, particularly in the interior valleys, considerable quantities of eggs have been found which contained blood largely caused from germination, as well as eggs which have decomposed owing largely to improper storage or storage for too long a time during the hot weather. The inspectors in these districts have worked diligently to prevent the sale of this class of eggs; as a result, we find much improvement has been made in the quality of eggs offered for sale.

The law also states plainly that eggs shall be marked with their exact quality and weight specifications. We have found many eggs marked a certain size or grade which, upon inspection, are found to be of a smaller size or lower grade than the markings would indicate. As a rule, the weight of an egg is largely dependent upon the amount of air space it contains. As this air space enlarges quite rapidly during storage, eggs which will just meet the minimum of a certain grade at the time they are candled, will, under certain conditions, lose sufficient weight within a few days to a week so that the loss of weight would put them in a lower class. Our inspectors have warned the industry that eggs when candled should be well within the weight tolerances in order that they may not fall into this lower class at the time they are exposed for sale in the retail stores.

Although the commercial practice is to separate eggs into a large number of grades, the three commercial quality grades which are established in the law are Specials, Extras and Standards. All eggs in these grades are edible, the difference being largely in the amount of air space and the condition of the white, or albumen. No visible germ development is permitted in Specials or Extras, but eggs in the Standard grade may contain germ development which is slightly visible.

Eggs may be divided into four grades according to their weight specifications. These are Large, Medium, Small and Peewee. As a rule, the Peewee size eggs are not sold to the consumer but are used for other purposes.

MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

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September 23, 1936

Vol. 16, No. 39

FARM INCOME RAISED

\$760,000,000 THIS YEAR

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U. S. Department of Agriculture

An estimated increase of \$760,000,000 in farmers' cash income from products marketed and government payments this year was reported this week by the Bureau of Agricultural Economics. The bureau estimated the 1936 cash income at \$7,850,000,000. The 1935 cash income was \$7,090,000,000. At the low point in farm income during the depression - 1932 - the cash income was \$4,328,000,000.

This year's increase the bureau attributes largely to an increased consumer demand for products. The volume of marketings during the first half of this year was much larger than in 1935, and prices were slightly lower. For the second half, it is expected that marketings will be somewhat less than in the corresponding period of 1935, but that prices will be somewhat higher.

The bureau reported that farmers apparently are marketing their crops earlier than usual this year in response to the marked price advances of recent months. Livestock marketings have been unusually heavy on account of the drought.

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MISSISSIPPI ANNOUNCES

NEW INSPECTION SERVICE

Establishment of shipping point grading and inspection of sweet potatoes in all counties of the State has been announced by J. C. Holton, Commissioner, Mississippi Department of Agriculture. The Commissioner says Federal-State inspection service has not been offered in the past because "isolated shipments mean prohibitive cost". But arrangements have been made now so that any and every carload of sweet potatoes in the State may receive inspection and grade certification service at a cost of not exceeding \$5 per car.

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ILLINOIS REPORTS ON

EXPANDING SOYBEAN INDUSTRY

The amazing growth of the soybean industry in recent years is detailed in a circular entitled "The Soybean, A Plant Immigrant Makes Good" by Illinois College of Agriculture. W. L. Burlison, the author, says that soybeans have forged ahead so fast as one of the newer farm crops that there are now about 35 soybean mills and a number of cottonseed mills crushing soybeans for oil and oil meal, 20 concerns are manufacturing soybean products, 15 mills are making soybean flour, and more

than 50 factories are turning out various industrial products from soybeans. The soybean is one of the oldest of crops. It was described in a Chinese medical book written by Emperor Shen-Nung about 4,800 years ago. Soybeans were introduced into the United States in 1804, but a hundred years later few were grown outside the southern states. The production in 1935 - chiefly in the Corn Belt - was 39,637,000 bushels of gathered beans. Illinois records show that the cost of producing soybeans in that State was about 63 cents a bushel average for the three-year period, 1931-33.

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BUREAU REPORTS ON
EUROPEAN WHEAT STUDY

The results of a study of a situation of vital importance to American wheat growers - wheat production and consumption in deficit-producing countries of Europe - were announced this week by the Bureau of Agricultural Economics. The bureau said that while most European countries have an ample supply of all the weak wheats needed, they lack a sufficient supply of the strong wheats for the production of the various kinds of flours suitable for European baking purposes. Also, the trend toward mechanized bread production in Europe is producing an increased demand for stronger wheats.

Many European governments are subsidizing domestic wheat production to produce varieties of higher yielding tendency and better baking quality. Some countries may attain self-sufficiency as to quality, says the bureau, but "there is little prospect of their being able to produce sufficient wheat of the desired quality."

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BANKS REPORTED REENTERING
FARM MORTGAGE FIELD

Commercial banks once more are finding farm mortgage a good risk. This is pointed out by the Farm Credit Administration which reports that the value of farm mortgages recorded by commercial banks amounted to \$79,200,000 in the first five months of 1936 compared to \$47,900,000 in the corresponding period of 1934 - an increase of 65 per cent. Farm mortgages recorded by insurance companies also are increasing totaling \$46,800,000 in the first five months of 1936 compared with \$18,000,000 in the corresponding period of 1934.

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CALIFORNIA SEEKS TO
RAISE MILK PRICES

California Department of Agriculture is holding a hearing this week on a proposed amendment to the San Bernardino-Riverside milk marketing plan calling for a 10 cent increase in the price of fluid milk per pound of milk fat. Distributors in the marketing area are pay-

ing producers 59 cents. The proposed increase to 69 cents is to compensate producers for rising costs of production.

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NEW JERSEY SEEKS
NEW MILK PRICE PLAN

New Jersey Dairy Council announced this week it is trying to evolve a new plan that will insure producers a full fluid price for their established "norms". Under the existing plan of selling milk to dealers, each producer is given a norm, which is supposed to represent the percentage of his milk that the dealer sells at fluid prices. Dairyemen say they should receive the full fluid price, or near it, for their established norms, but many producers say that during 1935 they were given this price on only about 70 percent of the norms. Farmers, objecting to this situation, say it is brought about in part by the action of some dealers in buying cheaper milk outside New Jersey, and by the readiness of some dealers to accept milk from new producers after norms have been established for a given year.

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RANGE-IMPROVEMENT PROGRAM
SET FOR WESTERN STATES

A range-improvement program for the Western range States, under which stockmen may earn payments for range-building practices performed during the calendar year 1936 and also establish the basis for more extensive improvement of the range in any program which may be developed for 1937 was recently announced by Secretary Wallace. The program applies to privately-owned or privately-controlled range land. Payments will be limited by the grazing capacity of the ranch.

"The program is not a cattle or sheep reduction program," George E. Farrell of the AAA pointed out. "It is simply a plan whereby the range stockmen may take steps to conserve their privately-owned or privately-controlled range land through adopting certain simple, proved range-building practices."***The main purpose is to check the depletion of the range in order that the West may continue to produce livestock profitably."

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REFRIGERATE EARLY EXPORT
APPLES, SAYS BUREAU

Apple growers of the Shenandoah-Cumberland section, who export heavily to England, are being urged by the Bureau of Plant Industry to refrigerate their shipments, especially during September. In experiments refrigeration reduced temperatures 5 to 16 degrees in the upper layers and 22 to 36 degrees in the bottom layers of fruit in rail transit from loading points to Jersey City. Fruit from refrigerated cars placed in ordinary unrefrigerated stowage of about 75 degrees F. lost all benefits of the rail refrigeration in two or three days. Apples refrigerated aboard ship were kept at a temperature 30 to 32 degrees cooler. This retarded softening and decay.

DEVELOPMENTS UNDER CALIFORNIA FLUID MILK AND CREAM STABILIZATION ACT

By Theodore Macklin
Chief, Division of Markets
California Department of Agriculture

In the past fifteen months the fluid milk producers in seven marketing areas have taken steps to develop stabilization and marketing plans. Six of these plans have become effective and the seventh is in process. Plans became effective for San Francisco, October 7, 1935; San Joaquin County, October 28, 1935; Sacramento County, December 9, 1935; Alameda County, December 10, 1935; Los Angeles County, July 23, 1936; San Bernardino-Riverside Counties, July 23, 1936; A plan is in process of development for the San Diego marketing area.

Each of these plans has been drawn pursuant to the provisions of Chapter 241, Statutes of 1935; otherwise known as the Young Bill. This law provides for the establishment of a minimum price based upon minimum legal requirements. It does not provide for the establishment of resale prices charged by distributors. The specific provisions of the Act governing the fixing of a price for fluid milk to be paid producers are:

1. The director must give his approval before any minimum price proposed by the board may become effective
2. in establishing the prices to be paid producers, definite consideration must be given to important economic factors, namely
 - (a) the economic relationship of butter and other dairy products to the price of fluid milk
 - (b) prices for fluid milk in the marketing area involved which will best protect the dairy industry and
 - (c) insure consumers a sufficient quantity of pure and wholesome milk in the public interest.

Pursuant to these requirements and upon the basis of economic evidence submitted at public hearings, the Director of Agriculture approved plans in each of six areas establishing the following prices for fluid milk per pound of milk fat: Alameda, 62 cents; Los Angeles 59 cents; Sacramento 58 cents; San Bernardino-Riverside 59 cents; San Francisco 62 cents, and San Joaquin 55 cents.

These prices were considered proper after taking into consideration the price of 92 score butter, the premium being paid for milk for manufacturing purposes over butter fat, and the premium being paid for fluid milk over milk for manufacturing purposes.

Recently the stabilization and marketing plans in four areas have been amended to advance the price paid producers from 5 cents to 10 cents per pound milk fat, in order to bring the price of fluid milk into the line with other dairy products as required by the law. From time to time in the future the law will authorize other amendments to bring the price of fluid milk into line with the price of other dairy products on both rising and declining markets.

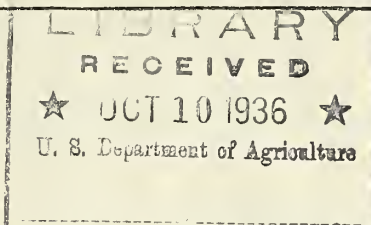
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September 30, 1936

VIRGINIA BUREAU
REPORTS ON YEAR'S WORK



Vol. 16, No. 40.

Two million dollars is the value which J. H. Meek, Director, Virginia Division of Markets puts upon the services rendered farmers by that division during the past year. Director Meek reported this week a marked increase in the division's activities, including the distribution of market information, standardization of agricultural and other commodities, inspection services, help to cooperative organizations in securing proper articles of incorporation and by-laws, market news, and weights and measures inspection.

During the past year 280,077 tons of products were officially inspected for grade by the bureau, representing a gain of 31 percent over the preceding fiscal year. Twice as many apples were inspected this year than last, and smaller increases for other commodities.

Director Meek said the grading and inspection of lambs "is developing into large proportions" and that similar service on cattle is needed. The market news service was enlarged during the past year, and many special reports issued in cooperation with the Bureau of Agricultural Economics. A movement to develop modern market facilities in cities and large towns of Virginia was reported under way.

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IOWA SAYS PACKERS
DISCOUNTING "WHITE GIANTS"

Iowa State College has issued a statement that "current reports from packers indicate that the White Giant breed of chicken is being discriminated against in certain midwestern states to an extent of 5 cents a pound."

The discount is said to be an effort to discourage this breed of poultry, which, when packed, shows up in the box with green legs. This greenish cast or color continues up the bird, between the legs, over the thighs, and finally, clear over the back, giving a spoiled appearance. Some packers do not want these birds at any price.

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MISSISSIPPI PUTS NEW
SEED LAW INTO EFFECT

Mississippi's new pure seed law, enacted at the 1936 session of the legislature, has been put into effect by the Department of Agricul-

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WASHINGTON D C

ture of that State. The law requires that every lot of seeds of five pounds or more shall be labeled to show its kind, variety, and net weight, its percentage of purity, the percentage of weed seeds, the name and approximate number per ounce of each kind of the seeds or tubers or bulblets of noxious weeds, the percentage of germination, the date the seed was tested, where the seed was grown, and the name and address of the seller.

Copies of the law and specimen tags may be obtained from J. C. Holton, Commissioner of Agriculture, Jackson, Miss.

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SECRETARY WALLACE APPROVES RANGE BUILDING PRACTICES

Range-building practices for 11 western States were approved by Secretary Wallace this week. The program is open to stockmen in Arizona, California, Colorado, Kansas, Montana, Nevada, New Mexico, North Dakota, Utah, Washington, and Wyoming. Approval of practices for Idaho and Oregon is expected soon.

The list of practices include contouring, development of springs or seeps, building earthen pits or reservoirs for holding rainfall, drilling or digging wells, water spreading to prevent soil-washing, reseeding depleted range land with certain grasses, building range fences, rodent control, establishment of fire guards, and destroying sage brush. Rates of pay range from 60 cents an acre for contouring, to 50 cents an acre for railing sagebrush. Fifty-dollars will be paid for developing each spring or seep, \$1 per linear foot for digging or drilling wells, and 30 cents a rod for range fencing.

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CHANGES PROPOSED IN GOVERNMENT CORN GRADES

Proposed amendments to the official corn standards, with regard to mixtures of flint and dent corn, were recently announced by the U. S. Department of Agriculture. The proposed amendments provide grades for flint corn and grades for a mixture of flint and dent varieties. Flint corn would be defined as "corn of any class which consists of 95 percent or more of flint corn" instead of "25 percent" as at present. "Flint and dent corn", would be defined as "corn of any class which consists of a mixture of the flint and dent varieties and which contains more than 5 percent but less than 95 percent of flint corn."

The amendments would be put into effect early in January, provided they are approved by farmers, warehousemen, merchandisers and processors of grain.

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NEW HAMPSHIRE EGG BUYERS CONFUSED BY GRADE TERMS

New Hampshire Bureau of Markets reported this week that inspectors who are checking on the enforcement of the Fresh Egg Law are finding some

confusion in the trade over the terms "Pullet Size" and "Small Size." These are optional terms for the same size of eggs, namely, those weighing from 19 to 21½ ounces to the dozen. The minimum weight for individual pullet or small-sized eggs is 1-7/12 ounces, or at the rate of 19 ounces per dozen. There is no "Small Pullet" size of eggs recognized in the law.

Many eggs recently found marked "Pullet Size" contained from 3 to 12 peewee size eggs. These should not be marked or sold for "Pullet Size" eggs. When more than two peewee eggs are found in "Pullet Size" eggs, the lot is improperly marked. No peewee eggs are allowed in the Large or Medium sizes. Eggs weighing less than at the rate of 19 ounces to the dozen should be sold as "Peeweess" or may be included with other sizes and marked "Unclassified Size."

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NORTH CAROLINA BUILDS

CURB MARKET FOR FARM WOMEN

A home demonstration curb market to which country women bring produce for selling direct to urban housewives was recently opened at Rocky Mount, North Carolina. The market is a modern brick building which provides for 129 sellers. It is intended to provide country women a source of cash income and to enable city housewives to buy produce fresh from the farms. North Carolina Extension Service said the market is the largest of its kind in the State.

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POULTRY AND EGG CO-OPS

DO INCREASED BUSINESS

A 30 percent increase in the business done by farmers' cooperative associations marketing eggs and poultry during the 1935-36 marketing season was reported this week by the Farm Credit Administration. The business totaled \$69,000,000 against \$53,000,000 in 1934-35. Higher prices for eggs and poultry were mainly responsible for the gain. The Administration reported a total membership of 93,000 farmers in egg and poultry cooperatives. The State of Washington alone has 19,700 members in four associations.

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NORTH DAKOTA MOVES

AGAINST POULTRY THIEVES

A system of marking poultry flocks and recording the mark with the State Poultry Association and the State Department of Agriculture was recently put into effect in North Dakota in an effort to stop "poultry stealing". Each producer selects his own method of marking and obtains his own marking equipment. The poultry may be marked by toe punch in the web of either foot; by tattoo mark or initials on either wing, or by initialed leg bands on either shank.

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"WHEAT REQUIREMENTS IN EUROPE" is the title of a technical bulletin just issued by the Bureau of Agricultural Economics.

NEWS OF THE WEEK IN BRIEF

THERE WILL BE NO FOOD SHORTAGE THIS WINTER, said the Bureau of Agricultural Economics. The per capita supply of all major foods for domestic consumption for the 12 months ending with June 1937 was estimated at about 3 percent less than the apparent consumption or disappearance of human food per person during the corresponding period 1935-36; 1 percent less than the per capita supply of 1934-35; 5 percent below that of 1933-34, and 8 percent less than the 1925-29 average. It is possible for per capita consumption this year to be as large as in recent years, it was stated, if less than the usual quantities of food is wasted.

TOTAL PAYMENTS TO PRODUCERS FOR MILK used in the manufacture of evaporated milk increased 70 percent from 1932 to 1935 while prices received by farmers per hundred pounds of milk for this use improved 52 percent, said the AAA. Improvement in business conditions and the droughts in 1934 and 1936 are cited as reasons for the increase.

AVERAGE PRICES RECEIVED BY FARMERS for their products as of September 15 held steady at the relatively high level established under drought conditions in mid-August, said the Bureau of Agricultural Economics. The price index in mid-September stood at 124, which was 17 points higher than on that date last year. Compared with a year ago, truck crops were up 52 points, miscellaneous items up 45 points, grains up 33 points, dairy products up 26, fruit up 23, cotton and cottonseed up 16. Chickens and eggs were down 7 points, and meat animals down 8 points.

TWENTY-SIX COUNTIES IN ILLINOIS have scheduled agricultural economics and livestock marketing evening schools for farmers this fall and winter, reported Illinois Extension Service. Discussions will center around why farm prices change, money and credit, the farmers' interest in taxation and the farmers' interest in world trade. Livestock marketing meetings will be held in 14 counties.

A MARKETING AGREEMENT AND LICENSE for the California deciduous fruit and almond tree nursery stock industry was announced by California Department of Agriculture. The agreement prescribes certain trade practices and standards for sizes of trees sold. The marketing agreement has been signed by more than 75 percent of the producers of the nursery trees concerned. "Nursery fruit trees" include all species and varieties of deciduous fruit and almond trees but do not include other nut trees.

MILK PRODUCTION was about 8 percent less on September 1 this year than last, said the Bureau of Agricultural Economics. A 1 percent decrease in the number of milk cows on farms was reported, and a reduction of about 7 percent in milk production per cow. Despite higher prices of dairy products, the movement into consumption has been large. Storage stocks are low. Relatively light production is in prospect during the coming feeding period.

CALIFORNIA BARLEY may find a good market in the United Kingdom this year, said the Bureau of Agricultural Economics. The British crop is smaller this year, and supplies from other foreign countries are expected to be small.

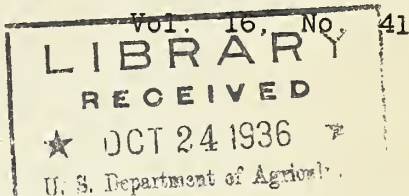
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October 7, 1936

STATE MARKETING OFFICIALS TO MEET AT NASHVILLE, TENN.



The National Association of Marketing Officials will hold its Eighteenth Annual Convention at Nashville, Tenn. October 20, 21, and 22. This is the first convention to be held by this Association in the South. The convention will be welcomed to Nashville by Commissioner O. E. Van Cleave of the Tennessee Department of Agriculture.

The program will open with an address on new developments in marketing, by C. W. Kitchen, assistant chief, Bureau of Agricultural Economics. This will be followed on the first day by a discussion of a proposed compulsory beef grading bill, by F. E. Mullin of the American National Live Stock Association, and a discussion of compulsory beef grading from the packers' viewpoint, by a representative of the Institute of American Meat Packers.

The national poultry improvement plan will be the subject of an address by Berley Winton of the Bureau of Animal Industry. Hatchery and flock inspection under this plan will be discussed by R. B. Jones of Alabama Department of Agriculture and Industries. The national poultry improvement plan from the hatchery viewpoint will be discussed by D. D. Slade of Lexington, Ky., and a report of the 1936 World's Poultry Congress will be submitted by Sidney A. Edwards of Connecticut Bureau of Markets.

On the second day of the convention there will be addresses on cannery inspection activities in New Jersey, by Warren W. Oley of New Jersey Department of Agriculture; grades and standards for cannery products, by Paul M. Williams of the Bureau of Agricultural Economics; and cannery tomato inspection from the canner's viewpoint, by E. W. Montell of the Campbell Soup Company.

Problems of the shipping point inspection service will be discussed by Wells A. Sherman of the Bureau of Agricultural Economics; regional organization for fruit and vegetable growers, by Laurence A. Bevan of New Jersey Agricultural Experiment Station, and cooperative marketing of fishery products by L. C. Salter of the Bureau of Fisheries. A report of a committee on State fruit and vegetable standardization laws will be submitted by Wells A. Sherman of the Bureau of Agricultural Economics.

The third day of the convention will be given over to food marketing and distribution. The advertising of farm products will be discussed by Frank George of the Bureau of Agricultural Economics; increasing potato sales through the use of attractive retail packages, by George A. Stuart of Taggart Brothers, Inc., New York; consumer relations in deficit producing States, by Webster J. Birdsall of New York Bureau of Markets, and the Michigan Bonded Label Plan, by George S. Bernard of Michigan Division of Marketing.

NEW YORK CODE PROVIDES
GRADES FOR RAW MILK

Establishment of a new grade of milk - Grade B Raw - was announced this week as one of two important amendments to the milk code recently enacted by the New York Public Health Council. Milk sold under this grade must meet the same requirements as Grade A Raw, except that it need not necessarily come from cows shown by the blood test to be free of Bang's disease. This amendment takes effect January 1, 1937.

The other regulation, first enacted two years ago but not put into effect, provides that no milk may be sold after January 1, 1937, as Grade A Raw unless it is from cows free of Bang's disease as shown by the blood test. Neither Grade A Raw nor the new Grade B Raw may be sold in cities or villages with a population of 15,000 or more, and after July 1, 1937, they may not be sold in cities or villages with a population of 10,000 or more. The only grades of raw milk which may be sold in cities above these limits are certified and Special A Raw, both of which must come from cows free of Bang's disease.

The code was also amended to provide that Special A Raw milk need have a bacterial count but once a month instead of once a week as before, except that should the count exceed 10,000 limit for that grade, there should be weekly counts "until two successive counts do not exceed 10,000."

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OKLAHOMA CATTLEMEN URGED
TO HOLD BREEDING STOCK

Pointing out that cattle held over until 1937 may pay higher prices, the Oklahoma Extension Division this week urged cattlemen in that State "who are able with careful feeding and planning" to do so, to keep their cattle, especially breeding stock. These cattlemen, it was stated, should be in a position to cash in on higher prices in 1937 than in 1936 and probably higher than in 1935.

Total meat supplies in 1937 will be smaller than in 1936, and probably will be almost as small as in 1935 when supplies were the smallest in fifteen years, said the Division. The reduction is expected to be most marked in pork and better grades of beef. Besides being confronted with a feed shortage, many farmers have exhausted their supplies of stock water, it was stated. Many farmers will be forced to liquidate their stock.

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PENNSYLVANIA WILL HAVE
BEST APPLE YEAR SINCE 1929

The most profitable season in seven years is a probability for Pennsylvania apple growers in spite of a small crop, in the opinion of J. L. States, Assistant Director, Pennsylvania Bureau of Markets. Forty-five Federal-State inspectors will be stationed in the larger commercial packing houses over the State to certify the quality of fruit packed and shipped. The crop is light in northern and western counties but moderately heavy in the commercial districts of the south-central and eastern counties. Quality of the crop is reported as "excellent."

IOWA COWS YIELD HIGHER INCOME

Higher prices for butterfat has resulted in a gain in income above feed cost per cow in testing associations, Iowa Dairy Extension Service reported this week. Average butterfat production of 26,547 cows in 1,273 herds was 311 pounds compared with 321 pounds the previous year. The report covers the year ending September 1. Income above feed cost was \$59, or 12 more than a year ago. The average price of butterfat received by association members was 36 cents compared with 32 cents a year ago. Only 9 percent of the cows on test produced less than 200 pounds of butterfat, it was stated, whereas in the preceding year 13 percent of the cows were in this class. Thirty-nine percent produced from 300 to 399 pounds, a 3 percent gain over the preceding year.

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ILLINOIS SAYS ALFALFA AND CORN MOST PROFITABLE

Alfalfa and corn continue to be the most profitable crops produced by Illinois farmers, and soybeans for the second year hold third place formerly occupied by winter wheat, Illinois Extension Service reported this week, on the basis of cost figures kept by a representative group of farmers in the east central part of the State.

Alfalfa showed a profit of \$7.94 an acre, corn \$3.10 and soybeans \$2.31, when the farm price of each crop at harvest was applied to the yield an acre and this figure compared with the cost of growing and harvesting each acre for the past three years.

In 1935 it cost \$19.86 to produce an average acre of alfalfa yielding two and one-half tons of hay. An acre of corn cost \$17.96, soybeans \$14.98 and oats \$14.47. These costs include taxes and interest on the investment in the land equaling about \$7.50 in the area studied. Net cost of producing a bushel of corn in the area last year was 30 cents with corn averaging 58 bushels an acre. Soybeans, with an average yield of 28.5 bushels an acre, were produced for 52 cents a bushel, and winter wheat, averaging 20 bushels an acre, cost 69 cents a bushel.

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MASSACHUSETTS MILK COSTS GO UP ON ACCOUNT OF DROUGHT

The nation-wide drought has increased the most of producing milk on Massachusetts farms by about 20 percent, according to Massachusetts Extension Service. This means an increase in production costs of about one and a fourth cents a quarter if all costs are taken into consideration. Of this increase, nearly a half cent is due to the advance in hay prices; slightly more than a half cent to the advance in grain prices, while the remaining quarter cent is due to the increased cost of other things, especially dairy cows. At prices prevailing last spring and during the early summer, it is estimated that the average cost of producing a quart of milk testing 3.9 percent butterfat was 5.9 cents. At prices now prevailing, the estimated cost is 7.15 cents. Under normal conditions, all feed, including pasture, makes up about 60 percent of the total net cost of producing milk in Massachusetts. Because of high feed prices, all feed accounts for 64 percent of the total net cost.

GOVERNMENT SUPERVISION OF POULTRY MARKETING UPHELD

The constitutionality of the amendment added by Congress last year to the Packers and Stockyards Act, providing for Federal supervision of live-poultry marketing, was upheld on October 9 in a decision handed down by Judge William H. Kirkpatrick, of the United States District Court of the Eastern District of Pennsylvania. The case was that of Handy Brothers vs. the Secretary of Agriculture.

Last February, the Secretary of Agriculture designated Philadelphia, Pa., as coming within the provisions of the amended Packers and Stockyards Act. Commission men and dealers handling live poultry in Philadelphia thereupon petitioned the Federal District Court for an order restraining the Secretary from enforcing the provisions of the Act. They contended that the act unlawfully delegated legislative power to the Secretary and attempted to regulate acts not in interstate commerce; they claimed further that the act is arbitrary, unreasonable, and unconstitutional.

The amendment, passed in August 1935, is intended to protect shippers and producers of live poultry against the use of unfair practices by commission men and dealers, and against having to pay unreasonable rates for services rendered in connection with marketing of their poultry. A number of live-poultry markets, including those of New York, Boston, and Chicago, have been brought under supervision, and a large number of commission men and dealers handling live poultry are now operating under licenses issued by the Secretary as required by this act.

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NEWS OF THE WEEK IN BRIEF

ANOTHER LARGE WHEAT ACREAGE is in prospect in this country, said the Bureau of Agricultural Economics in its monthly summary of world wheat prospects. The bureau pointed out that wheat prices are more attractive than at seeding time last year or this spring. Seedings for harvest in 1936 of both winter and spring wheat were approximately 74,500,000 acres, the largest on record except for 1919. Abandonment and crop loss due to unfavorable weather were exceptionally large and resulted in small production relative to acreage sown.

INCREASED SHIPMENT OF GOODS from industrial States to agricultural States closely paralleled the increased national farm income in the years from 1932 to 1935, reported the Agricultural Adjustment Administration. Shipment from 16 northern and northeastern States increased 60 percent from 1932 to 1935. Farm income increased 64 percent in the same period.

THE FARM REAL ESTATE MARKET in Pennsylvania, Delaware, Maryland, Virginia and West Virginia is looking up, reported Charles S. Jackson of the Federal Land Bank. He based this statement upon the increased sales by the bank of properties which it had taken over during the last six years. The records show an increase of 31 percent in sales during the second quarter of 1936 compared with that period in 1935. During the first half of this year the number of sales were almost twice those of the previous six months.

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STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL
ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

October 28, 1936

Vol. 16, Nos. 42-44

MARKETING OFFICIALS MEET IN EIGHTEENTH ANNUAL CONVENTION

Many States Represented at Convention in Addresses and Discussions on New Developments in Marketing, Standardization of Farm Products, Poultry Improvement, Farm Products Inspection and Consumer Information Services.

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Representatives from 22 States, from Maine to Texas, from Florida to Illinois, took part in the Eighteenth Annual Convention of the National Association of Marketing Officials, held at Nashville, Tennessee, October 20, 21, and 22.

The program dealt with new developments in the marketing of farm products. It covered such subjects as the proposed compulsory grading of beef, the National Poultry Improvement Plan, the Federal-State farm products standardization and inspection services, milk marketing agreements under the Agricultural Adjustment Administration, the regional organization of fruit and vegetable growers, and consumer information services by Federal and State agencies.

The convention was welcomed to Nashville by Commissioner O. E. Van Cleave of Tennessee Department of Agriculture. Presiding officers were H. M. Newell of Illinois, President of the Association, and Webster J. Birdsall of New York, Vice-President.

Developments in Marketing

The opening address was on developments in marketing in 1936, by C. W. Kitchen, Assistant Chief, Bureau of Agricultural Economics. The speaker detailed the economic gains which have been won by farmers during the last three years, and asked for the continued cooperation of Federal and State agencies in helping to solve regional and national marketing problems. Until purchasing power can be increased to the point where most people can buy more nearly all they need, he said, the problem of adjusting normal production to market demand will confront producers.

Mr. Kitchen declared that the marketing of livestock presents a specific example of changing tendencies in the merchandising of farm products. Direct marketing of hogs is increasing, he said, as is also the auction selling of livestock. Some auctions are limited to slaughter

livestock, but most of them also handle stockers, feeders, and breeding stock. Many auctions sell anything that farmers or others have to offer. Efforts are being made to establish auctions for the sale of wool, auction having been announced at Denver and Ogden this month for the sale of more than 6,000,000 pounds of wool.

Referenda on Marketing Procedure

"A new note - embodied in the Tobacco Inspection Act - was sounded this year in tobacco inspection and auction marketing," the speaker said. "In the various inspection services which have been developed by the Bureau of Agricultural Economics, and for the most part by the States, inspection has been either mandatory or permissive. There has been no choice. In the new Tobacco Inspection Act, however, tobacco growers are privileged to choose whether or not their tobacco is to be inspected before it is sold at auction. If the mandatory provision of the law is to become operative, the Secretary of Agriculture must hold a referendum among the tobacco growers using any auction market, and if two-thirds of the growers voting favor having their tobacco inspected, the Secretary may designate the market or markets referred to in the referendum. After designation, all tobacco offered for sale on such market must first be inspected by a representative of the Department of Agriculture."

Referenda have been held on 20 auction markets. Growers using 19 of these markets voted overwhelmingly for mandatory inspection. Referenda on four or five additional markets will be held in the Burley producing area within the next few weeks. The inspection service provided by the Act is coupled with a market news service.

Cotton Standards Revised

Mr. Kitchen reported a revision of the universal cotton standards on August 20, 1936, to make the standards more representative of the grade characteristics of the cotton now produced. He said that "we believe the changes will increase the usefulness of the standards in domestic and foreign trade." Standards for other farm products were also revised during the past year, "in an effort to keep their usefulness at a maximum". In its research dealing with new and extended uses for cotton, the bureau technologists designed two new cotton fabrics, one for use in road building, and the other for the packaging of sugar. The road fabric is being used in the experimental construction of test "cotton roads" in 24 States under a project sponsored by the Agricultural Adjustment Administration.

Processing Foods

The freezing of fresh fruits and vegetables and increased production and distribution of fruit and vegetable juices were cited by the speaker as examples of new developments in the processing of foods in competition with fresh products. Mr. Kitchen quoted "a careful student of the marketing of fruits and vegetables, to the effect that, in his opinion, about one-third of our vegetables in the future will be processed in cans, one-third shipped as fresh to market, and one-third quick-frozen."

But the speaker pointed out that instead of substitution, the rapid increase in the case of quick-frozen vegetables may mean expansion, and tend to stabilize the fresh vegetable market.

Marketing Facilities

A revival of interest in improving marketing methods, practices, and facilities in cities was reported by the speaker, who attributed this interest largely to the "rapid changes in marketing methods the last few years, including the shift from railroad to motor-truck transportation, and direct purchases by chain stores and other large processors and distributors." The Bureau of Agricultural Economics has been studying the Philadelphia terminal markets for fruits and vegetables, and expects soon to issue a summary of conclusions.

Consumer Grades

Mr. Kitchen reported that grades especially adapted for retail or consumer use have been developed for eggs, butter, dressed poultry, meats, and many of the more important canned fruits and vegetables. Last year more than 3,000,000 cases of canned fruits and vegetables were covered by inspection certificates; more than 242,000,000 pounds of butter were graded, and more than 425,000,000 pounds of meats.

Recent Legislation

Recent Federal legislation was summarized briefly by the speaker. This included the Commodity Exchange Act to regulate futures trading on commodity exchanges; the amended Packers and Stockyards Act to empower the Secretary of Agriculture to regulate trade practices in live poultry markets; amendment of the Perishable Agricultural Commodities Act to clarify and strengthen some of its provisions; enactment of a law authorizing the Department of Agriculture to collect and publish statistics on peanuts, and the Robinson-Patman Act which is an anti-price discrimination measure.

Compulsory Beef Grading

F. E. Mollin, Secretary, American National Live Stock Association, addressed the convention on the proposed compulsory beef grading bill which was introduced into Congress by Marvin Jones of Texas, last summer. The speaker described the historical background of beef grading prior to its establishment on a voluntary basis by the Bureau of Agricultural Economics in 1927. The situation was complicated in the fall of 1927, he said, when several of the large packers started to grade and brand beef on their own account, at the same time continuing to furnish government graded beef on request.

"Had it not been for this development", Mr. Mollin said, "there would be little occasion today to discuss the merits of a compulsory grading bill. With a single standard of grades, strongly supported by producing, processing, and consuming interests, we could well afford to wait and not press for basic legislation".

Mr. Mollin reported that the volume of government graded beef has increased remarkably from 70,000,000 pounds of fresh beef and veal in the calendar year 1930, to 300,000,000 pounds in the first eight months of 1936. He said that the volume of private packer grading this year will come close to 1,000,000,000 pounds. There is no longer any question as to the success of beef grading, he added; "there remains for solution only the problem of the most practical method - one that will best serve both the producer and the consumer."

H. R. 13022

The bill which was introduced into Congress last summer, Mr. Mollin said, makes possible a standard of grades sufficiently exact to meet all practical requirements. As to the practicability of extending the grading system to the lower grades, the speaker reported that the packers on their own initiative have included a fifth grade in their private branding, and he cited the experience at Seattle, where a compulsory meat grading act has been in effect for almost two years. At Seattle, he said, the demand for the better grades has been stimulated, and that prices of the lower grades have been well in line with those in eastern dressed beef markets.

Mr. Mollin expressed the opinion that a proper grading system would tend to remove part of the discrimination against grass beef in certain sections of the country.

"Beef grading and closer control of buying operations are here to stay," he said, in contrast with "the old days when the cattle buyer was king, when he went into the yards and bought as many as he liked. The beef man is boss today, and the cattle buyer does not even take on bargains unless he has an order for them." Mr. Mollin denied that a single standard of grading would prevent packer advertising of beef; that instead, it would make advertising more effective, since the product would carry the added boost of a government-sanctioned grade.

The Packers' Attitude

H. R. Davidson, representing the Institute of American Meat Packers, discussed compulsory beef grading from the packers' viewpoint. He urged that beef grading be continued on a voluntary basis, on the ground that the technic of grading beef has not yet been perfected. The packers, he said, are trying to develop mechanical ways to grade beef to eliminate the 20 percent error of individual opinion in grading.

He said the packing industry believes that should there be compulsory beef grading in the immediate future, private brands will have to be removed from merchandising methods in packing houses, and that packers will have to stop advertising their product since "they could not identify their name to that product."

The speaker stated that under the present voluntary system, 31.6

percent of all carcass beef sold in this country is graded either by the Federal government or by private graders. Compulsory grading would raise this to 60 or 70 percent, leaving 30 percent to be graded in intra-state commerce by the 48 States. Mr. Davison declared that if a Federal beef grading system is made a law and all beef in interstate commerce must be graded, then all States should have similar legislation, to prevent confusion. He expressed the opinion that 48 different legislatures could not be induced to write similar bills in a hurry.

The speaker emphasized the point that the packing industry is not opposing compulsory meat grading, on the contrary that some system of Federal and State grading may eventually be feasible, but that more experience is needed to work out a practicable system.

Poultry Improvement

Berley Winton of the Bureau of Animal Industry addressed the convention of the National Poultry Improvement Plan. He said that this plan is an attempt by the organized poultry industry to develop a constructive breeding and Pullorum disease-resistant program of interest to producers and buyers of baby chicks, hatching eggs, and breeding stock. The idea for this plan was first publicly announced in 1925, but it was not until the summer of 1934 that the plan was formulated and presented to the Secretary of Agriculture for his approval. It became operative in 1935.

Objectives of the plan are to increase the production and improve the breeding qualities of chickens. The average egg production, the speaker declared, is only 82 eggs per hen per year. Another objective is to reduce losses from Pullorum disease. Last year, 1,017 hatcheries in 34 States with a hatching capacity of more than 38,000,000 eggs at one time, participated in the program. In addition, about 200 trap-nest breeders who had about 65,000 chickens under hatch, took part.

(Details of the National Poultry Improvement Plan and its administration may be obtained from Berley Winton, Bureau of Animal Industry, Washington, D. C.)

Improvement Plan Endorsed

R. B. Jones, Chief Poultry Inspector, Alabama Department of Agriculture and Industries, described the hatchery and flock inspection carried on in Alabama under the National Poultry Improvement Plan. He described in detail the testing of flocks, marking, and the reports kept on each hatchery. He said that 2,800 flock and chick inspections were last made year, and that it is hoped to built this up to 5,000 inspections.

D. D. Slade, a hatcheryman from Lexington, Ky., said: "I can bear testimony to the fact that my percentage of hatching increased 4 percent during the first year of operation under the national plan, and it has

maintained that level. We feel that the uniform plan has benefited the hatchery work very materially in Kentucky. I am sure that I am putting out a much better chick now than five or six years ago."

World's Poultry Congress

Sidney A. Edwards, Director, Connecticut Bureau of Markets, reported on the World Poultry Congress which was held at Leipsic last summer. The Congress in 1939 is to be held in the United States. There were 22 American delegates to the Congress at Leipsic. Twelve hundred foreign delegates attended; 42 countries were represented. The Congress and exhibits occupied 15 acres of floor space. Papers at the meetings were published in five languages.

Germany, a deficit poultry products producing country, is trying to become self-sufficient by increasing the productivity of poultry without making in-roads on the short feed supply, Mr. Edwards said. The feeding program is centered upon the utilization of by products rations. Progeny tests are being made to determine the extent to which high production qualities are transmitted by the male side of the family; all of the birds have the same sire, but not necessarily the same dam. Much of the poultry extension work in Germany is in the hands of young women rather than young men. Principal breeds of poultry in Germany are the white leghorn, brown leghorn, and Rhode Island red. The brown leghorn shows higher production than the white. The government fixes the retail price of eggs.

Cannery Inspection in New Jersey

Warren W. Oley, Chief, New Jersey Bureau of Markets sent a paper to the convention on cannery inspection activities in New Jersey. Describing the work on cannery tomatoes Mr. Oley said that inspections are made at designated places with equipment supplied by the contracting canners. Federal grades, licensed Federal inspectors, and Federal supervision are used. Inspections in some States are on the basis of State grades which may be the United States grades or a slight variation, but Mr. Oley said that in New Jersey the Federal tie-up and guaranteed uniformity under Federal supervision are preferred.

The inspectors grade samples from a load by classifying the tomatoes in that sample as U.S. No. 1's, U.S. No. 2's, and culls. The tomatoes in these grades are weighed and the quality of the load is expressed in percentages; as for example, 60 percent U.S. No. 1's, 38 percent U.S. No. 2's, and 2 percent culls. Under this system the grower of this load receives the No. 1 price for 60 percent of his total weight less tare, or 1,200 pounds of each ton of tomatoes delivered; 760 pounds of each ton are bought at the established No. 2 price; 40 pounds of each ton are culls, and are not paid for.

Mr. Oley declared that the principle of buying cannery tomatoes on grade is based on encouraging growers to deliver good-quality stock by paying a premium for the best stock, or that of the U.S. No. 1 grade, and discouraging the delivery of unusable stock, or culls by paying nothing for it. The principle of contracting for tomatoes on the basis of grade, he said, has

been well received by canners because through it the canners have obtained a higher quality raw product, which requires less trimming and waste, and which makes a better finished product. It has been well received by most growers because their returns increase as the quality of the tomatoes increase.

Experience in Indiana

Kenneth Rider, President, Indiana Canners Association, describing his experience in buying tomatoes, declared he is "definitely sold on grades for buying cannery tomatoes since it gives every grower a fair shake and doesn't penalize the canner. The poor grower is penalized and the grower of high grade tomatoes is rewarded. Under the flat rate buying system, there is no incentive for farmers to produce a high grade raw product."

Mr. Rider said that this year his company is paying \$18 for No. 1 tomatoes, \$10 for No. 2's, and nothing for culls. Any grower who averages 55 percent No. 1's for the season gets an additional 50 cents a ton, those who average 65 percent No. 1's gets an additional \$1, and those averaging 75 percent No. 1's gets an additional \$1.50.

H. S. Duncan, New York Bureau of Markets, led a discussion on grades and standards for cannery products. He reported that the inspection work on cannery tomatoes has increased rapidly in New York State, with 39 factories under inspection this year. Canners are paying \$14 for No. 1's, \$6 for No. 2's, and nothing for culls. Early tomatoes did not ripen, on account of an early frost, and green tomato men paid \$40 a ton in the canning section, for green wraps. There were 200 cars of green wraps out of the canning section.

The New York bureau graded spinach at 4 factories this year, and graded cherries in almost all factories packing this product. Sixty-five men were employed in the grading and inspection service on tomatoes this year; at one time there were 75. The bureau charges the canner a flat rate of \$42 a week per inspector.

Milk Marketing Agreements

J. J. Murray, Dairy Section, Agricultural Adjustment Administration, discussing milk marketing agreements, declared that 18 States now have laws pertaining to milk marketing. Most of these laws are emergency acts providing for specified dates of expiration or their termination by the governor or legislature when it is deemed that the emergency no longer exists. The laws, in general, provide for a State regulatory body which has power to fix prices to producers, and also resale prices. A number of fluid milk markets are operating under State programs.

The speaker reported there are now 18 licenses, 4 orders, and 1 agreement in operation in fluid milk sales areas under the amended Agricultural Adjustment Act. This act provides for the regulation of the handling of milk in interstate commerce, and of such milk as directly burdens, affects, or obstructs the handling of milk in interstate commerce.

Principal provisions of the Act, with regard to milk marketing

agreements and orders, were stated by Mr. Murray, as follows: (1) the classification of milk according to use; (2) the fixing, or method of fixing, of minimum prices in accordance with such use classification to be used as the basis of cost of milk to handlers; (3) methods of prorating to producers the proceeds of sales to handlers.

The classification of milk and establishment of class prices, he said, furnish the basis for computation of the blended price paid to producers. The pooling plans provide for uniform prices to all producers delivering to the same handler under the individual-handler pool or to all producers supplying milk to the market under the market-wide pool, except for the usual differentials for transportation and quality and except for such adjustments as may be involved in the event of a base-rating plan. The act specifically recognizes the right of cooperatives to blend and distribute to its producers the proceeds of all the sales in accordance with the contract between the association and its producers, provided it does not sell milk to handlers at less than the minimum prices.

Mr. Murray reported "definite progress in the development of these marketing plans. One encouraging development has been the growing realization by producers and handlers of the advantages of a regulated pricing and marketing system and of the high degree of cooperation essential to the success of a marketing plan."

Shipping Point Inspection

Wells A. Sherman, Fruit and Vegetable Division, Bureau of Agricultural Economics, discussed problems in the shipping point inspection service. These problems include the training of personnel, the financing of shipping point inspection by the States, maintenance of uniformity of viewpoint and interpretation of grades and regulations among supervisors, and the disciplining of inspectors. The speaker suggested that provision be made by the States for an annual conference of supervisors from all States for an exchange of experiences and discussions of inspection problems.

Northeastern Growers Organization

L. A. Bevan, Extension Economist, New Jersey Agricultural Experiment Station, sent a paper to the convention on the subject of regional organization for fruit and vegetable growers. Mr. Bevan reported that several commodity organizations have been formed in the Northeastern States during the last few years to "attack agricultural problems on an area basis." The first was the Northeastern Poultry Producers Council; later the dairy group followed this example; more recently, vegetable growers have laid the foundation for a similar organization.

The Northeastern Vegetable Growers Organization has been formed, Mr. Bevan said, to focus the attention of growers, research and service agencies, and the trade on problems that are distinctive to this area. They feel the need of an official organization that will represent large numbers of growers and speak more uniformly on legislative and other matters. Very often, our vegetable programs, he said, have been local and have not had the advantage of wide discussion by various groups in order to make them apply to present needs.

Mr. Bevan reported that at a New York conference in August discussions and recommendations dealt with two phases of the vegetable industry: marketing and seed requirements. Recommendations on marketing dealt with improved methods of packing, re-investigation of grades, marketing facilities, and the use of surpluses by canning and freezing. As to seed requirements the conference recommended that the various States have more uniform legislation regarding labelling and germination. The group expressed a need for national legislation for correct labelling of seed, and for supplying growers with seed adapted to their conditions.

Standardization Laws

Wells A. Sherman of the Bureau of Agricultural Economics submitted a report of a committee on Federal and State legislation affecting fruit and vegetable marketing. He summarized, among Federal laws, the Food and Drugs Act, Farm Products Inspection Law, Export Apple and Pear Act, Produce Agency Act, Perishable Agricultural Commodities Act, Agricultural Adjustment Act, and the Standard Container Acts of 1916 and 1928.

Discussing State legislation on the standardization of fresh fruits and vegetables, Mr. Sherman reported that all but three States - Iowa, New Mexico, and Tennessee - have passed one or more laws on this subject. The majority of the States have enacted so-called general standardization laws. Some of these laws apply to only fruits and vegetables, but most of them include provisions covering farm products in general. A lesser number of States have not passed general standardization laws but have granted authority to establish grades and standards to certain State officers or State departments through other laws.

Several States which have enacted general standardization laws have also passed special laws pertaining to the standardization of certain individual fruits and vegetables which are important commercially. A few States which do not have general standardization laws have confined such legislation to one or more products.

Forty-one States Have Laws

Forty-one States have enacted provisions either in general standardization laws, produce dealers laws, horticultural laws, or laws granting certain powers to departments of agriculture or bureaus of markets, authorizing an officer in authority or a State department to establish standards or grades for fruits and vegetables, or fruits, vegetables, and other products.

Many of the general standardization laws as well as the special laws governing the grading of individual products specify that whenever standards are established for a product it shall be unlawful to offer for sale, have in possession for sale, sell or ship the product unless it is graded in conformity with such standards. Many of them also require that containers shall be marked to show the grade designation of the product.

Colorado, Louisiana, Oklahoma and Wisconsin are the only States, the speaker declared, which have enacted compulsory inspection provisions in

their general standardization laws, although Oklahoma and Wisconsin have not yet attempted to enforce compulsory inspection under this authority. But a number of States have enacted laws, the provisions of which require or grant authority to require compulsory inspection of certain products.

(The National Association of Marketing Officials expects to publish a detailed report of the Committee on Fruit and Vegetable Standardization Laws, in which the various statutes will be cited and briefly analyzed. Persons interested in this report should communicate with Sidney A. Edwards, Director, Bureau of Markets, Hartford, Connecticut.)

Fishery Products

L. C. Salter of the Bureau of Fisheries addressed the convention on the cooperative marketing of fishery products. He reported that cooperative marketing has been recently approved by Congress as a method that may be employed by fishermen in marketing aquatic products. Group activity by fishermen is of long standing in the maritime countries of Europe and the British Isles, the speaker said.

Studies to date, Mr. Salter declared, reveal that there are approximately 150 fishermen's associations of various types distributed throughout the major producing areas and engaged in practically every type of fishery activity. For the most part these associations are legislative, promotional, and protectional in character, but as a rule are engaged in some economic function. Some associations act in the capacity of bargaining organizations, negotiating and contracting for the sale and prices of fishery products to canneries and other buyers.

On the Pacific Coast there are 14 marketing organizations whose activities include the marketing of fresh salmon, salmon canning and selling, the processing and marketing of crabs, crab meat, oysters, miscellaneous fresh fish, and in selling sardines, tuna, and mackerel to canneries. There are 22 other fishermen's associations on the West Coast, principally engaged in cooperative buying of fishery and marine supplies and equipment.

Surveys are being made to ascertain cooperative activities on the Atlantic Coast, where associations are marketing fresh fish, oysters, and other shellfish, operating processing and freezing plants, making cooperative purchases for members, or performing bargaining or contracting functions.

Advertising Farm Products

Frank George of the Bureau of Agricultural Economics addressed the convention on the advertising of farm products. He described the growth of food advertising since the early 1890's and asserted that despite the controversy as to whether advertising is an economic waste or a builder of industry, no scientific study has ever been made of advertising in national economy.

"No one knows, for instance, even in these days of statistical and economic exploration," he declared, "how much money is spent on advertising. No one knows, apparently, whether the amount of money spent to advertise foods is 50 millions a year, 100 millions, or 300 millions." He reported

that 58 of the leading food advertisers combined, spent \$38,000,000 last year on newspaper, magazine, and radio advertising alone. The biggest advertiser in the group spent nearly \$6,000,000; none spent less than \$50,000. One breakfast food company spent more than \$2,000,000 on newspaper advertising; a soup company spent more than \$1,500,000 in magazines.

Mr. George stated that while advertising has increased the consumption of processed and packaged foods, there has also been a marked increase in the consumption of fresh products as a result of the extensive good-will publicity enjoyed by these products. Much of this increase he attributed also to the improvements which have been made in the production and shipping qualities of these foods.

The history of advertising by farmers' cooperative organizations was reviewed by the speaker, and the unsuccessful efforts which have been made from time to time to put on national advertising campaigns supported by fruit and vegetable growers. He described the methods used by the National Dairy Council and the National Livestock and Meat Board to induce increased consumption of milk and meat. Twenty-six different agencies of the Federal government are engaged in one kind or another of consumer research and education, he said; adding that several State departments of agriculture have created or are planning to set up consumer information services.

Increasing Potato Sales

George A. Stuart, representing Taggart Brothers, New York, told the convention how sales of potatoes are being increased in Pennsylvania by the use of retail packages. He said the chain stores have contracted for the entire Pennsylvania crop at the Maine price of potatoes, plus transportation costs from Maine to Pennsylvania. Whereas Maine had been getting 25 to 30 cents a hundred more for Maine potatoes sold in Pennsylvania, Pennsylvania growers are now guaranteed about 80 cents a hundred more than the price of Maine potatoes in Maine.

The Pennsylvania potatoes are graded and packed in 15-pound and 60-pound paper bags. There are three grades: two-inch minimum potatoes are packed under a blue label; 1½ to 2 inch sizes are packed under a red label; all "sound potatoes" are packed under a yellow label. Blue label potatoes are selling at 39 cents a peck retail; the packers get 33 cents. Red label potatoes are selling for 30 cents a peck, and the packers get 25 cents. The Yellow label potatoes are packed in 60-pound bags for which packers are getting 90 cents. Mr. Stuart said that many consumers are now buying the 60-pound bags whereas formerly they bought only a half peck of potatoes. The potatoes are packed by the Pennsylvania Cooperative Potato Growers Assns., Inc.

Consumer Relations

Webster J. Birdsall, Director, New York Bureau of Markets addressed the convention on consumer relations in deficit producing States. He cited figures showing that instead of being a deficit producing State, New York farmers produce and ship a surplus of many farm products to other States. New York cabbage is shipped to 25 States, potatoes to 22 States, onions to 20 States, celery to 19 States, apples to 27 States. In 1934

more apples were shipped out than were shipped in.

Mr. Birdsall told what is being done "to make New York consumers, New York farm produce conscious." A consumer information service has been established, exhibits are put on in cooperation with farm groups, and a direct advertising campaign is being waged to increase the consumption of milk. The speaker said that consumption of milk has increased 6.1 percent in New York City, whereas during the same period there was a gain in Philadelphia of only 1.07 percent, and in Boston there was a decrease of about 1 percent.

The activities of the consumer information service were outlined, covering the preparation of radio scripts for 19 broadcasting stations over the State, and the issuance of press releases and special articles as the various products begin to roll to market. The speaker said the consumer information material is being more widely printed by the press than any other releases issued by the department. The Service also issues booklets and recipes, for which 1,000 requests a week are being received.

Michigan Bonded Label Plan

George S. Barnard, Chief, Michigan Division of Marketing, described the Michigan Bonded Label Plan, which is designed to encourage better production and marketing. The purposes of the plan, the speaker said, are to insure an honest pack through bonding the registrant, to identify the pack by means of an exclusive State stamp or label, to build confidence in Michigan's finer farm products, to furnish a name so that consumers can ask for Michigan Bonded Farm Produce, and to finance an advertising campaign through the sale of labels.

The two top grades of any product only are eligible for sale under the Bonded plan. The highest grade is identified by a dark blue label bearing the light blue seal of the State of Michigan, and the next top grade is identified by a yellow label bearing the Michigan seal in red. Registrants under the plan (which is voluntary) are required to furnish an indemnity bond in the sum of \$500, whereupon they are permitted to use the bond and identification labels furnished by the Michigan Department of Agriculture.

New Officers Elected

Webster J. Birdsall, of New York Bureau of Markets, was elected as President of the Association for the ensuing year; Thomas P. McCord of Tennessee Bureau of Markets, was elected as Vice-President, and Sidney A. Edwards of Connecticut Bureau of Markets as Secretary-Treasury. The convention closed at the Hermitage, the home of Andrew Jackson, where an "old hickory" gavel was presented to the new President of the Association, Webster J. Birdsall.

MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL

ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C. U. S. Department of Agriculture

November 4, 1936

Vol. 16, No. 45

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DEMAND FOR FARM PRODUCTS

EXPECTED TO RISE IN 1937

Increased demand for farm products in 1937 was forecast this week by the Bureau of Agricultural Economics in the first of a series of Annual Outlook Reports, analyzing prospective production, supply and demand factors facing farmers in planning their 1937 operations. More than 100 Federal and State extension economists assisted in preparing these reports. The bureau, summarizing the prospective domestic and foreign demand, said:

"The demand for farm products in 1937 will be greater than in 1936. Most of this prospective improvement arises from the expected increase in domestic demand, although some improvement in foreign demand also is anticipated.

"Changes in domestic demand for farm products are determined largely by changes in the income of consumers and industrial activity. Industrial production is expected to be about 10 percent higher in 1937 than in 1936. The commodity price level also is expected to be slightly higher. It is probable that the national income will be at least 10 percent higher in 1937 than in 1936.

"Improved industrial conditions are noted in some of the important foreign countries which import farm products from the United States. The full benefit of this foreign improvement has not been reflected in exports of American farm products because of the barriers to international trade which have been erected during the past decade and because of small domestic supplies of some farm products which usually are exported.

"Recent developments in connection with trade agreements and the indirect effects of devaluation and tentative stabilization of foreign currencies, however, may mark a turning point in the application of restrictions to international trade and have resulted in some improvement in the prospects for larger foreign outlets for American farm products."

The Outlook Reports cover the present and prospective situation as to all the major farm commodities. Copies may be obtained from the Bureau of Agricultural Economics, Washington, D. C.

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CROP INSURANCE COMMITTEE

HOLDING MEETINGS THIS WEEK

The President's Committee on Crop Insurance, of which Secretary Wallace is Chairman, is meeting in Washington this week with representatives of insurance companies, warehousemen, and farmers' organizations,

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to discuss the possibilities of working out a crop insurance program. Research is being conducted by the Bureau of Agricultural Economics to determine whether an actuarial basis for "all risk" crop insurance can be developed, using data gathered by the Agricultural Adjustment Administration for individual farms.

Meeting with representatives of insurance companies, the Committee was assured of cooperation by both joint stock insurance companies and mutual companies, which appointed delegates to work with the President's committee on technical details of an insurance program. Secretary Wallace said the broad objective of crop insurance should be to contribute to greater stability of supplies and prices of farm products in the interest of both producers and consumers.

Other members of the President's Committee are: A. G. Black, Chief, Bureau of Agricultural Economics, Vice-Chairman; Wayne C. Taylor, Assistant Secretary of the Treasury; Ernest G. Draper, Assistant Secretary of Commerce, and Howard R. Tolley, Administrator, Agricultural Adjustment Administration.

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CONNECTICUT ORGANIZES CONSUMERS' COUNCIL

A Consumers' Council was recently organized in Connecticut to collect and disseminate facts of value to consumers throughout that State, and "to take any other action which would, in the opinion of the Council, further the interests of consumers." The Council plans, in cooperation with the WPA and Connecticut Department of Agriculture, to establish a Consumers' Information Service. It is composed of appointed delegates of the Connecticut League of Woman Voters, Connecticut Congress of Parents and Teachers, Connecticut Home Economics Association, Connecticut Farm Bureau Federation, Connecticut Federation of Women's Clubs, and the Connecticut Branch of the American Association of University Women. A Technical Advisory Board will be appointed, composed of representatives of the various branches of the State government, agricultural commodity organizations, retail merchants and marketmen's associations, wholesalers, and trade organizations.

The Council plans immediately to make an interpretation of existing consumer protective legislation, such as the Pure Food and Drug Laws, Honest Labeling Law, Connecticut Fresh Egg Law, Retail Potato Marketing Law, and the law protecting the use of grade terms as applied to food products. Provision has been made for the establishment of county consumers' councils.

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NEW YORK ACTS AGAINST UNLICENSED COMMISSION MEN

Actions against nine unlicensed commission merchants in the New York metropolitan area were recently instituted by New York Department of Agriculture and Markets. The merchants, it was alleged, sold farm products for New York State farmers on a commission basis without securing a license and without posting a bond with the Department to protect shippers against losses. Investigations concerning activities of unlicensed commission merchants are being continued in New York City and

in upstate areas.

The so-called commission merchants law provides that all merchants who sell New York State farm products on a commission basis shall be licensed by the Commissioner of Agriculture and Markets and shall post a bond ranging in amount from \$3,000 to \$10,000 with the Commissioner to insure prompt and full settlement with New York State shippers. The protection to shippers, provided by the law, then applies only to shipments made to licensed dealers. Shipments to unlicensed dealers are made at the shipper's own risk, although the Department is sometimes able to assist producers in collections if the sale was made on a commission basis. The Department can assist in collections of unpaid accounts for shipments to licensed merchants if valid claims can be produced.

A list of commission merchants licensed and bonded for the year July 1, 1936 to June 30, 1937 may be obtained from New York Department of Agriculture and Markets, Albany, New York.

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AAA ANNOUNCES PLAN TO BUY SURPLUS GRAPEFRUIT

The Agricultural Adjustment Administration recently announced that substantial quantities of surplus grapefruit will be bought throughout the current marketing season for relief distribution to encourage domestic consumption of fruit which otherwise may be wasted or may have a depressing effect on prices to growers.

The program to divert surplus grapefruit from normal channels of trade and commerce into distribution for relief use, is to supplement efforts which citrus growers and handlers are making to improve marketing conditions through marketing agreement programs. The quantity to be purchased will depend upon market developments.

The program was developed at the request of growers and handlers in the major grapefruit producing areas. This season's crop of grapefruit is the largest on record -- 27,603,000 boxes, compared with an average of 14,730,000 boxes produced during the five years, 1928-32. Purchases will be made chiefly in Florida, Texas, California, and Arizona. The fruit will be distributed to relief agencies by the Federal Surplus Commodities Corporation.

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OHIO ANNOUNCES MARKET NEWS SERVICE ON TURKEYS

Ohio State University announced this week that turkey raisers in that State will have a new market news service to aid them in selling their turkeys this year - a turkey market news service, sponsored by the Ohio Turkey Association, to be broadcast weekly during November and December by nine Ohio radio stations. The service is designed to help growers "get a fair price for their festive birds." It will keep growers informed on market supplies and demand, and the prices prevailing over the State during the heavy marketing season. The Poultry Department of Ohio State University will summarize and release reports revealing bids received and prices paid.

REFERENDUMS BEING HELD
ON KENTUCKY TOBACCO INSPECTION

Referendums covering tobacco inspection and market news services on Burley tobacco markets in Kentucky are being held this week covering markets at Bowling Green, Cynthiana, Horse Cave, and Mt. Sterling, Ky. Growers who sold Burley tobacco at auction on one of more of these markets during the 1935-36 season will be entitled to vote. The referendums are being held by the United States Department of Agriculture under authority of the Tobacco Inspection Act.

The law provides that at markets designated by the Secretary of Agriculture the growers shall be furnished reliable and unbiased information as to the quality of tobacco offered for sale, and information as to current market prices on a grade basis. Inspections are made by Department of Agriculture employes who, prior to sale, classify tobacco according to official standard grades. These grades are noted on the warehouse tickets. The market news service consists chiefly of compilations of daily or weekly prices at which each grade is sold. The cost of inspection is borne by the government.

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OREGON CAULIFLOWER MARKETING
AGREEMENT TO BE CONSIDERED

A proposed marketing agreement and order for handlers of cauliflower grown in Oregon will be considered at a public hearing to be held at Portland, Ore., November 9, by the Agricultural Adjustment Administration. The program would provide for regulation of shipments by grades and sizes, and for period proration of shipments to markets outside the producing area. The proposed agreement and order would be administered by a control committee representative of growers and handlers.

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FARM EXPORTS TO
CANADA INCREASE

Despite smaller supplies of certain items due to drought the United States exports of farm products to Canada, on which Canadian duties were reduced under the United States-Canadian trade agreement were much higher during the first eight months of 1936 than during the corresponding period of 1935. The value of such exports to Canada amounted to \$12,744,000 this year compared with \$9,379,000 during the corresponding eight months of 1935. Exports to Canada of farm products not included in the agreement were valued at \$19,922,000 compared with \$17,951,000 for January-August in 1935.

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"FEDERAL SEED-LOAN FINANCING and Its Relation to Agricultural Rehabilitation and Land Use" is the title of Technical Bulletin 539 just issued by the Bureau of Agricultural Economics. Other recent publications include "Statistics of Grains", "Dairy and Poultry Statistics", and "Farm Business and Related Statistics". These statistical publications are issued as separates from "Agricultural Statistics, 1936."

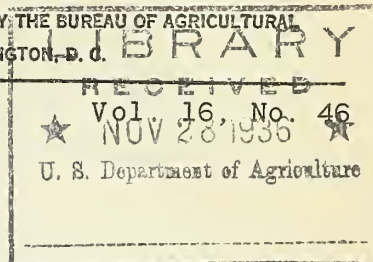
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November 11, 1936

BUREAU ISSUES SERIES
OF OUTLOOK REPORTS



A series of Annual Outlook Reports was issued this week by the Bureau of Agricultural Economics. The reports analyzed prospective production, supply and demand factors facing farmers in planning their 1937 operations. They were prepared with the assistance of more than 100 Federal and State extension economists.

The bureau forecast continuation of a plentiful supply of credit for sound agricultural loans at low rates of interest in 1937. The average price of commodities and services used in agricultural production will average a little higher in 1937, it was stated. A 25 percent reduction in the supply of feed grains per grain-consuming animal unit for the current feeding season as compared with the supply of a year ago, was reported.

The American cotton farmer, the bureau said, in planning his next year's operations is faced with a smaller supply of American cotton but a larger world supply of all cotton, due to increased foreign production in 1936-37. With a large acreage in prospect a surplus of wheat and lower prices in 1937, if near-normal yields are produced, were forecast, and an increase in world demand and supply for flaxseed.

Increased consumer demand and some rise in prices for dairy products in 1937 were forecast. The bureau said that the supply of meats would be the smallest in more than fifteen years, as a result of the drought. Smaller marketings of poultry and turkeys are in prospect next year, following heavy production and sales this year. Egg marketings next year are expected to increase.

A general upward trend in cattle production during the next few years was seen. Production of commercial truck crops for fresh market shipment will probably be larger in 1937 than the record high volume in 1936, it was stated.

A higher level of farm family living in 1937 resulting from a marked improvement in farm income is expected. The 1936 gross cash income from agriculture represents an increase of about 11 percent over 1935 income.

The bureau forecast a further decline in the number of horses and mules on farms during 1937, and for several years to come. Short supplies and increased demand indicate continued high prices for red clover, sweet clover and alfalfa seed in the spring and fall of 1937.

A rising volume of production and sales of fruits during the next few years was forecast. The bureau looks for further improvement in the general market outlook for tobacco in 1937. Some further increase in plantings of peanuts to be harvested for nuts in 1937 was said to be in prospect. Stocks of wool, here and abroad will be below average at the beginning of the domestic wool-marketing year April 1, 1937, the bureau said.

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INCREASING USE OF
CONSUMER GRADES REPORTED

Increasing use of consumer quality grades developed for canned fruits and vegetables by the Bureau of Agricultural Economics was reported this week by Paul M. Williams of the bureau, to the Consumers' Institute, meeting at New Brunswick, N. J.

Williams cited figures showing that during the past year one firm alone graded and labeled more than 7,000 carloads of canned fruits and vegetables under government consumer quality designations "A", "B", and "C".

The speaker said "the bureau hopes that the canning and distributing industries will voluntarily adopt the labeling recommendations in the interest of common honesty and fair dealing with consumers." Quality labeling was urged by William as more informative to consumers than the confusion of many "meaningless" brands on the market.

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MISSISSIPPI CREAM GRADING
LAW IMPROVING PRODUCTS

Better butter generally and an exact indication of quality on every package, together with a definite improvement in the milk producing and creamery industries, were reported this week by Commissioner Holton of Mississippi Department of Agriculture, as a result of the operation of Mississippi's new cream grading law.

The law provides primarily that butter be purchased from farmers on the basis of three distinct grades: sweet cream, first grade cream, and second grade cream. All other cream is declared unlawful. The law provides that lots of cream of the three grades be labeled and kept separately and churned separately, and that packages of butter bear a printed statement on the outside of the carton and on the wrapper showing the grade of cream from which the butter was manufactured. Farmers receive a premium of 3-cents per pound for first grade cream.

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NEW YORK IS TAGGING
TURKEYS THIS YEAR

New York Department of Agriculture and Markets reported this week that 15,000 of the choicest native New York State turkeys will be tagged this year by the New York State turkey growers association. Only the best of the New York State crop will be tagged with blue and gold labels bearing the name, address and permit of producers. The Association announced an established wholesale price for choice table quality birds many light weight birds included, of 30 cents a pound live weight at the farms and 35 cents a pound for dressed birds.

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COMMISSION MERCHANTS
REGISTER UNDER NEW ACT

Commodity futures commission merchants numbering 738 with principal offices in 34 States, the District of Columbia, and one foreign

country, and maintaining approximately 1,300 branch offices have been registered under the Commodity Exchange Act. In addition, 596 floor brokers operating on the commodity futures exchanges designated as contract markets under the act have been registered.

The act makes it unlawful to engage as futures commission merchants in soliciting or accepting orders for commodity futures to be executed on contract markets without having registered with the Secretary of Agriculture. Violations are a misdemeanor punishable by a maximum fine of \$10,000 and imprisonment for not more than one year. Lists of persons registered may be obtained from the Commodity Exchange Administration, Washington, D. C.

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CALIFORNIA COLLECTS MONEY FOR FARMERS

Recoveries for California growers as secured by California Division of Market Enforcement, for the first nine months of 1936 totaled \$81,615, as a result of investigation and action on 648 complaint matters for 436 producers. The division revoked 17 licenses of dealers, suspended 20, and refused 11. The figures apply only to the activities of the division under the Produce Dealers Act, which refers to wholesale dealers and commission merchants operating exclusively in fresh fruits, vegetables, live stock, poultry and other unprocessed farm products.

Administering the new Processors Law, the division handled 66 complaints and secured recoveries amounting to \$10,396. Under this law, 4 licenses were revoked, 3 suspended and 1 refused.

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KANSAS CITY GETS MILK MARKETING AGREEMENT

A milk marketing program for the Kansas City, Mo., area will go into effect December 1, under an order issued by Secretary Wallace. It replaces a program which has been in operation in that marketing area during the past two and one-half years under a license for milk distributors.

Principal provisions of the order relate to the classification of milk bought by handlers on a use basis; establishment of minimum prices which handlers are required to pay producers for the various classes of milk, and proration to producers of the proceeds of sales to handlers through a base rating plan and a market-wide pool.

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COST-ACCOUNT FARMERS INCREASE LABOR INCOME

Cost-account farmers in New York State, with an average labor income of \$900 in 1935, turned in the best records since 1929, it was reported this week by New York College of Agriculture. The improvement was attributed largely to higher prices for milk, eggs and potatoes. Returns for an hour of labor in 1935 on dairy cows averaged 33 cents, or 17 cents more than in 1934. The average cost of producing milk on 60 farms was \$1.81. The average return was \$1.90 a hundredweight.

RHODE ISLAND MILK
REGISTRATION SYSTEM

A new milk registration system, as required by a recent amendment to the dairy farm inspection law, is being prepared by Rhode Island Department of Agriculture and Conservation.

The amended law requires that all dairies engaged in the business of producing milk, dealers or distributors and stores buying and selling milk, shall register annually with the department. Registrations of dairy farms will be based upon inspections made between July 1 and December 31 this year.

The department's policy is to administer the act primarily as a health measure.

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SECRETARY AFFIRMED IN
PERISHABLES CASE

Another decision of the Secretary of Agriculture under the Perishable Agricultural Commodities Act was recently affirmed on appeal to a Federal District Court.

Judge Martin of the United States District Court for the Western District of the Western Division of Tennessee on October 21 affirmed the findings and conclusions of the Secretary in the case of Bradford Fruit & Produce Co., Bradford, Tenn., vs. L. M. Kirkpatrick Co., Ripley, Tenn., and awarded payment of the original award of \$1888.50, with interest, together with attorney's fee, making a total sum of \$2655.65.

This case involved the purchase of five cars of tomatoes shipped in interstate commerce. The Kirkpatrick Company stopped payment of its check for \$1888.50, claiming that it did so to protect itself against loss on three cars of tomatoes which it had purchased from the Bradford Fruit & Produce Co. The Kirkpatrick Company contended that the tomatoes were to be U.S. 1 stock but that only 85 percent of the products delivered were U.S. 1 grade. The Secretary held that the evidence failed to sustain this contention.

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THE WEEK IN BRIEF

Demand for farms has improved, and there are fewer farm mortgage foreclosures and fewer tax delinquencies, the Bureau of Agricultural Economics reported this week. The increase in voluntary transfers of farms last year was the largest recorded since the beginning of the upward trend four years ago, it was stated. The bureau reported also that the number of bankruptcies among farmers has been declining for three years.

The world wheat crop is expected to total 3,462,000,000 bushels, a decrease of about 90,000,000 bushels compared with last year. The bureau said that total supplies of wheat for 1936-37 will be about 265,000,000 bushels less than last year. Russia and China are excluded from these totals. Exports from Russia appear unlikely.

Reduced imports of American cotton by Japan during the year ended August 31, 1936, were offset by increased purchases from India, China, Brazil, and other minor producing countries, the bureau said.

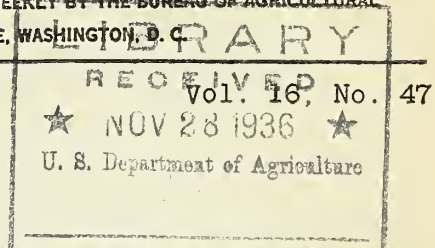
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STATE AND FEDERAL MARKETING ACTIVITIES AND OTHER ECONOMIC WORK

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ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

November 18, 1936

NEED FOR MARKETING
RESEARCH IS STRESSED



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The need for greater emphasis upon economic research in the areas of distribution, consumption and demand was stressed by Dr. A. G. Black, Chief of the Bureau of Agricultural Economics, addressing the Association of Land Grant Colleges in annual meeting at Houston, Texas, November 16.

"In the agricultural economic field we have few examples of broad, comprehensive research in the areas of distribution and consumption," he said. "Agricultural policy makers are being forced to reach conclusions without a flow of adequate facts and products of research investigation and analysis. Most marketing studies have been extremely local in character. Another factor which has limited the conclusions of marketing research is that studies in this field have been made almost exclusively along commodity lines. Specialization by commodities is desirable in many cases, but when all marketing specialists become commodity specialists there are many important marketing problems which do not fall within the field of any of the specialists and these problems tend to remain unstudied."

Dr. Black cited the regional study of marketing of dairy products, by the New England Research Council, as of "great promise", and said that "The Bureau of Agricultural Economics stands ready to join in research projects concerned with distribution and consumption affecting other areas in terms not alone of commodities but of marketing functions, marketing institutions, and consumption data."

Discussing the need for food distribution studies, Dr. Black said "there is a good deal of mystery - mystery because we lack adequate and satisfactory explanations - in the consumption of and demand for farm products. Not only are consumer habits and preferences involved in this but also the relation of changes in consumption to changes in prices, to changes in supply and prices of other commodities and to changes in consumer incomes. We also need to study the longer-time trends in consumption and if possible to project those trends well into the future with a view of supplying advance information as a basis for adjustments which must come inevitably."

Other topics covered by Dr. Black included the "rise of State and local barriers to the free movement of farm products in this country" and the need for research projects "in the field of land utilization, that represent cooperative endeavor on the part of land economists, farm management research workers and rural sociologists, in which the research, frankly and fearlessly, grapples with such realistic problems as tenancy, population change and movements, and rural social organization."

ARGENTINE CORN "THREAT"EXAGGERATED, SAYS ILLINOIS

The threat of Argentine corn importations to the price Illinois farmers will receive for corn the next few months is greatly exaggerated, in the opinion of J. J. Pieper, Illinois College of Agriculture.

"First shipment of Argentine corn to reach as far north as Chicago this year arrived there the week of October 25 and consisted of 83,000 bushels," he explained. "The cost of delivering the corn, including a tariff of 25 cents a bushel amounted to \$1.01. With these costs the price of corn will have to increase considerably before the Argentine farmers will have much left for a profit.

"Nearly all corn imported this year has been confined largely to Pacific coast and gulf ports. The price of Argentine corn is competitive with corn shipped from the corn belt to these deficit regions. However, with the present differential in price between Argentine corn and corn belt corn, little if any Argentine corn will reach the feed lots of Illinois."

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NEW JERSEY AUCTION SALESEXCEED TWO MILLION DOLLARS

Sales at fruit and vegetable auction markets in New Jersey topped \$2,100,000 this season, according to Warren W. Oley, Chief, New Jersey Bureau of Markets. Nearly 3,000,000 packages were sold at an average of 73 cents per package compared with 66 cents in 1935. The auction markets are sponsored by New Jersey Department of Agriculture. They are designed to effect more direct marketing between producers and consumers. There are auction markets at Beverly, Cedarville, Glassboro, Hammonton, Hightstown, Landisville, Rosenhayn, Swedesboro, and Vineland.

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FOUR KENTUCKY MARKETSGET INSPECTION SERVICE

Tobacco inspection and market news service were ordered this week by the Acting Secretary of Agriculture for four tobacco markets in the burley district of Kentucky, following referenda conducted by the Bureau of Agricultural Economics to ascertain the sentiment of tobacco growers. The markets are at Mt. Sterling, Cynthiana, Horse Cave, and Bowling Green. About 96 percent of the growers voting favored the service.

The bureau announced it would establish a tobacco market news office at Louisville, for the issuance of tobacco price reports to growers at the time of offering their tobacco for sale at the four markets named. Under the law no charge can be made for either the inspection service or tobacco price reports.

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MAINE STATE LABELS TOAPPEAR ON PRODUCTS

Marketing of Maine products bearing State of Maine labels, the products to include potatoes, lobsters, sardines, blueberries, eggs, apples, corn and other canned goods was announced this week. The work is supported by State and private agencies which plan an extensive advertising campaign in eastern cities.

CALIFORNIA INSPECTING INTO-STATE SHIPMENTS

By California Department of Agriculture

To make certain that the quality, packing, and container marking of fresh fruits and vegetables produced and sold within California is as high and in equal uniformity with the law, as that of the agricultural commodities which move out of the State, highway inspection stations are maintained by the Bureau of Fruit and Vegetable Standardization, State Department of Agriculture.

At these stations all trucks loaded with agricultural products are stopped and an inspection made to ascertain that all such produce being transported to California markets meets the strict requirements of the standardization provisions of the agricultural code.

Reports from the inspection stations received by the Bureau of Fruit and Vegetable Standardization show that the work of the inspectors is very effective in keeping from California markets produce that does not meet legal standards.

Most of the rejections made are for lack of markings on containers, or improper markings. Ranking next in the totals were the rejections due to quality and then came those made because of deceptive pack.

Rejection of commodities does not mean that the fruits or vegetables are destroyed. Rejected cargoes may be repacked or remarked to meet requirements of State law and then permitted to proceed to market.

Fruit and vegetable standardization stations maintained this year by the Department and, in some instances, with the assistance of county agricultural commissioners, were operated near Tracy on the highway leading from the San Joaquin valley into the San Francisco bay area; on the Pacheco pass highway leading into the coastal area; at Castaic on the main highway leading from the San Joaquin valley into Southern California and Los Angeles; at Los Cruces on the coast highway in Santa Barbara county.

Tremendous quantities of fresh produce are inspected at these stations. As many as 200 truck loads per day have been inspected at one of the stations, that figure representing a maximum of 50 railroad cars of produce.

During two and a half months inspectors at the Tracy station made 240 rejections. These rejections included 13,322 containers of various commodities and, in addition, 110 tons of watermelons. Sixteen prosecutions were launched and in 15 cases convictions were obtained and fines imposed.

At the Castaic station 7,103 truck loads were inspected in the period the station was in operation this summer. These trucks carried 2,364,181 packages and 49,180 tons of fresh fruits and vegetables. Rejections totaled 134 truck loads or lots. Nine persistent violators were prosecuted and all convicted.

NEWS OF THE WEEK IN BRIEF

Prices of corn and hogs remained about the same from mid-October to mid-November, while slight advances in corn, cattle, lambs, potatoes, and eggs just about offset slight declines in wheat poultry, butter and cheese. The general index of prices received by farmers for their products in mid-October stood at 121, compared with 124 for September, and 109 for October last year.

The National Cotton Board of Argentina hopes to expand cotton planting in that country for the 1936-37 season to 1,000,000 acres, compared with the 783 acres planted in 1935-36, according to the Bureau of Agricultural Economics. The Argentine Government has been encouraging increased production for many years, especially in the Chaco Territory, where conditions are most favorable.

Berley Winton of the Bureau of Animal Industry has been appointed as Chairman of a committee to represent the United States Department of Agriculture at the Seventh World's Poultry Congress to be held in the United States in 1939. Other members of the committee are W. D. Termohlen of the AAA, Robert R. Slocum of the Bureau of Agricultural Economics, H. L. Shrader of the Extension Service, T. L. Swenson of the Bureau of Chemistry and Soils, Ernest G. Moore of the Office of Information, and Ruth Van Deman of the Bureau of Home Economics.

Farmers' cash income from the sale of farm products amounted to \$754,000,000 in September, or 16 percent more than in September last year, all regions showing gains in income. In all regions except the West North Central States crops brought in more money than in September a year ago. Livestock receipts averaged 18 percent greater this September than last, the increase being general throughout the Country. In the West North Central States the increased income from livestock somewhat more than counterbalanced the shrinkage in crop sales.

Seed certification has increased greatly in Pennsylvania the last ten years, in some cases as much as 800 percent, according to Pennsylvania Department of Agriculture. Seed certification, inaugurated in the State in 1923, is now one of the principal activities of the Bureau of Plant Industry in Pennsylvania. This year, the department inaugurated certification of small grains.

A high level of milk production this fall has been reported by the Bureau of Agricultural Economics. Production on November 1 was about 6 percent more than on that date last year, and the highest on record for November 1. Prices of manufactured dairy products have declined from the late summer peaks. Reduced production of manufactured dairy products is forecast for this winter on account of the shortage of feed and low prices of dairy products compared with prices of feeds and meat animals.

Termination of a marketing agreement and license for handlers of fresh asparagus grown in California was announced this week by the AAA.

MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

November 25, 1936

Vol. 16, No. 48

CALIFORNIA GROWERS TO HOLD ANNUAL CONVENTION

The Sixty-ninth Convention of California Fruit Growers and Farmers will be held at Bakersfield, Calif., December 14 and 15. The convention will adopt resolutions and make recommendations concerning agricultural problems and policies.

Major farm problems of California will be discussed by Federal State and private authorities. Organizations represented by speakers will include the Farmers' Union, American Farm Bureau Federation, California Fruit Growers Exchange, Agricultural Adjustment Administration, Bureau of Agricultural Economics, California College of Agriculture, Federal Reserve System, and California Department of Agriculture.

Representatives of farmers' organizations are expected to tell how these organizations will meet the new problems of Agriculture, there will be a session during which managers and secretaries of various California marketing associations will discuss the topic "Marketing for Farm Prosperity", and a session entitled "Service and Enforcement for Agriculture".

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NATIONAL POULTRY COUNCIL VOTED IN EASTERN RESOLUTION

Federation of National, regional and state poultry producing, breeding and marketing organizations into a National Council of Poultry Producers was voted favorably in a resolution at the annual meeting of the Northeastern Poultry Producers Council, held at New York City, November 14.

The resolution stated that "the more than 400 organizations of poultry producers and breeders in existence constitute an adequate and sound basis on which to build a national federation." Objectives to be sought include "protection against foreign imports of egg products" and "legislative consideration in keeping with the relative importance of the poultry industry."

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OKLAHOMA TO HOLD LIVE STOCK MARKETING MEETINGS

A series of 28 county livestock marketing meetings to study current livestock marketing problems and the general livestock outlook is being held in Oklahoma, through December 11, by Oklahoma Extension Division and the Oklahoma Livestock Marketing Association.

NEW YORK REPORTS COST OF RASING PULLETS

Raising a pullet to the laying age of 20 weeks costs \$1.04, according to accounts kept by 38 New York poultrymen in cooperation with the New York College of Agriculture. This pays the way from a day-old chick to the laying age.

In reaching the laying age, the chick needs 12 pounds of grain and 19 pounds of mash. About 46 percent of the total cost is for feed, 14 percent for labor, 25 percent is the original cost of the chick, and the remainder for use of buildings, equipment, fuel, interest, and other costs.

Poultrymen had a better year in 1935 than in 1934, due mainly to better prices for eggs. Returns for each hour of labor averaged 48 cents, and represented the best showing since 1930. It cost 27 cents to produce a dozen eggs in 1935, or 2 cents a dozen less than in 1934. This reduction in cost, together with a four-cent improvement in price, made possible an average profit of 3 cents a dozen.

Production on these cost-account farms averaged 146 eggs to the hen, or about 44 more eggs than the average for the State. One-fourth of the birds died or were lost or stolen during the year. High mortality, say the economists, is an important cause of failure in the poultry business.

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PENNSLYVANIA TOMATOES MILLION DOLLAR CROP

Tomatoes for canning have added a million dollars to the cash income of Pennsylvania farmers this year, according to J. Hansell French, Pennsylvania Secretary of Agriculture. Favorable growing conditions in Pennsylvania while other tomato-growing sections were drought-stricken, high prices and alert farmers sensing new opportunities in tomato culture were contributing factors, Secretary French said. Many large processors of tomatoes are reported to be operating in Pennsylvania. Secretary French predicts an acreage of 30,000 by 1940, as contrasted with 14,000 acres this year, and with 3,400 acres in 1929.

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FARM FINANCIAL RETURNS REPORTED BY BUREAU

The financial results reported by 2,939 farm owner-operators for their own farms show that during 1935 on the average, after paying for current farm business expenses other than interest on debts and small amounts for improvements, a cash balance of \$552 was available for living expenses, payments on debts, and improvements, the Bureau of Agricultural Economics reported this week.

Inventories of crops, livestock, equipment, and supplies on these farms at the end of the year were worth \$265 more than inventories at the first of the year, and values of real estate had improved slightly. These farm families used food from their farms valued at \$171 and had some fuel, and the use of the farm house. The results were more favorable than those for 1934. Copies of the full report may be obtained from the Bureau of Agricultural Economics, Washington, D. C.

MISSISSIPPI HAS BEST YEAR IN ITS HISTORY

The year 1936 will go down as one of the most successful in Mississippi's agricultural history, Commissioner J. C. Holton of the Mississippi Department of Agriculture declared this week.

The Commissioner said that in addition to harvesting the largest per acre yield of lint cotton in the State's history, Mississippi farmers had a corn crop of more than 40,000,000 bushels, comparatively good yields of hay, abundant supplies of potatoes and syrup, and increased numbers of hogs, poultry and cattle.

The cotton crop is expected to yield about \$160,000,000, which is an increase of more than \$40,000,000 compared with 1935, and more than three times the income from cotton in 1932.

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NEW YORK INVESTIGATES MILK-WEIGHING SHORTAGES

An investigation of short-weighing of milk at receiving plants in New York State was recently ordered by Commissioner Ten Eyck, of the New York Department of Agriculture, following the discovery of shortages in nine counties. Investigators weighed milk at farms prior to delivery to plants. Shortages of from 3½ to 15 pounds of milk were discovered in a comparison of these records with scale weights at the receiving plants. Commissioner Ten Eyck pointed out that a shortage of only 1 pound on each of nearly 25,000,000 deliveries by 68,000 producers in the State would mean a loss of more than \$496,000 to milk producers in the course of a year.

The Milk Control Law in New York State provides for the revocation of a milk dealer's license to buy or sell milk, if the dealer fails to account and make payment for all milk purchased. Plant superintendents and managers likewise are subject to loss of their required licenses for dishonesty, incompetency or inaccuracy.

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CALIFORNIA EGG DEALERS PROSECUTED FOR VIOLATIONS

Four California egg dealers were recently prosecuted successfully by the California Department of Agriculture, for violation of the State egg standardization law. One man was found guilty of offering for sale eggs unfit for human consumption, two men for offering for sale storage eggs as fresh eggs, and the fourth for selling "trades", "standards" and "mediums" for "large extras".

The law requires the labeling of eggs to show their size and quality. When signs or labels are simply marked "eggs" such eggs so marked must meet the requirements of large extras. It is illegal to offer for sale storage eggs as fresh eggs. The violations were in San Francisco. Investigators said they found "laxness as regards observance of the egg standards law, in a number of San Francisco stores." Additional complaints are to be made by the State authorities.

WORKERS' EARNINGS UP
MORE THAN LIVING COSTS

Average earnings of 15,100,000 employed workers increased more between 1935 and 1936 than did the average of retail food prices or other living costs, according to a recent report by Louis H. Bean, Agricultural Adjustment Administration, to Secretary Wallace.

The greater increase in earnings, Bean said, has given the average employed worker a 1.6 percent greater purchasing power for food and a 2.9 percent greater purchasing power for all items of living costs. Compared with 1929, the 1936 average earnings can be exchanged for 8.2 percent more food and for 3.9 percent more of all items of a typical worker's cost of living budget.

Total payrolls in industries covered by the report are estimated at nearly 70 percent of the 1929 payrolls, total employment at 80 percent of 1929, and earnings per employed worker at 85 percent. Retail food prices for 1936 will average 21 percent less than in 1929; other living costs are down about 16 percent. The total cost of living budget for 1936 is about 18 percent less than in 1929.

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AAA TO ENCOURAGE USE
OF TOBACCO IN BY-PRODUCTS

The Agricultural Adjustment Administration recently announced that it would encourage the diversion of tobacco to by-product uses in order to dispose of surplus fire-cured and dark air-cured types. Under the program, the Secretary of Agriculture offers to make indemnity payments to farmers' tobacco cooperative marketing associations and marketing corporations in connection with the diversion into by-products uses of fire-cured and dark air-cured tobaccos, U.S. types 21, 22, 23, 24, and 36 of the crop years 1931 to 1936, inclusive.

The proposed program is similar to one in operation during the last year, under which more than 15 million pounds of these tobaccos were diverted into nicotine and tobacco extract channels. Among the uses for tobacco by-products are sprays and dusts for combating plant and animal parasites, and for fertilizers.

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FRANCE CREATES WHEAT BOARD
TO MONOPOLIZE GRAIN TRADE

France's entire import and export trade in foreign wheat, spelt, maslin, rye and all products derived from the milling of these products has been put into the hands of the National Wheat Board under authority of the so-called French Wheat Law. The regulations provide that imports or exports of the grains and grain products can be made only after delivery to the customs service of an import or export authorization issued by the National Wheat Board. Conditions for the issuance of such authorizations will be fixed by the Minister of Agriculture. The sale of the imported product is subject to the control of the monopoly.

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SHORT WINTER SUPPLIES of domestic fruit in Germany have been reported by the Bureau of Agricultural Economics.

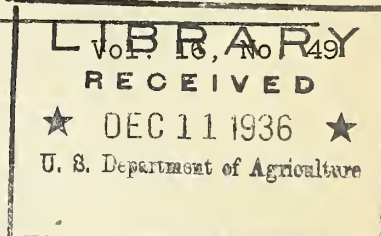
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December 2, 1936



FIVE STATES GET TOBACCO INSPECTION

Twenty-three tobacco markets in five States - Virginia, Tennessee, Kentucky, South Carolina, and North Carolina - have been designated to date for mandatory tobacco inspection service under the Tobacco Inspection Act approved August 23, 1935.

The purpose of this service is to supply an unbiased opinion as to the grade of each lot of tobacco placed on the auction floor. Government grades are to be used, as developed by the Bureau of Agricultural Economics.

Bureau studies show that "a large percentage of the transactions made in the course of a day on an auction market are at prices that seem to be fair and equitable, judged by current marketing conditions as shown by grade averages in the price reports. *** It is also found, however, that in far too many instances the tobacco is clearly sold at less than its true current value, and it is this problem that the service of the bureau seeks to solve."

In operation, the inspection service will consist of an adequate number of men known to be good judges of tobacco and carefully trained in standard grades, who will precede the buyers, examine each lot of tobacco, and note the grade on the warehouse ticket. These men will be carefully supervised to insure the accuracy of their work. After tobacco has been sold, one copy of each warehouse ticket will be transmitted to the Bureau's market news office where the tickets will be sorted, tabulated, and averaged to permit the issuance of daily reports showing the average prices according to grade.

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WHEAT GROWERS CREATE CONSERVATION COMMITTEE

A Wheat Conservation Committee of 15 was created by wheat producers from the Great Plains Area this week while meeting with the President's Committee on Crop Insurance. The Conservation Committee is scheduled to make a report by January 15. M. W. Thatcher of the Farmers' National Grain Corporation was appointed as Chairman of the Committee.

The wheat producers told the President's Committee on Crop Insurance that "to protect the income of all wheat producers, we may contemplate adjustment of production, ever-normal granary, reasonable loans against stored wheat upon a collateral basis, yield insurance upon a co-insurance basis, provident disposal of burdensome surpluses, requirement of adherence (excepting special cases) to the agricultural conservation program and acceptance of yield insurance as part of the qualifications

for eligibility to the benefit of the ever-normal granary fair loan program, and payment of administrative expenses, warehousing costs, and a substantial portion of yield insurance costs by the Federal Government."

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CALIFORNIA RULES ON DEALERS ACT

An opinion that slaughterers of livestock may not claim exemption from the licensing and regulations imposed by the California Produce Dealers Act, except when operations are limited to the purchase and slaughter of cattle, was handed down this week by State Attorney General U. S. Webb.

Webb ruled that the mere possession of a license to slaughter cattle did not exempt slaughters in California from meeting the requirements of the produce law; that when they purchase cattle for commercial resale, and not for slaughter, they are in the same position as other buyers of farm commodities.

The Attorney General ruled also that when slaughterers buy sheep, hogs, or any livestock other than cattle, whether for slaughter or not, the general law applies, and that no exemption can be secured. A previous opinion had held that slaughterers who bought poultry, fruits or vegetables would not be considered slaughterers for the purposes of the law, but would be classed as dealers in farm products.

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NEW YORK TAKES MORE UP-STATE MILK

New York State milk producers are gaining in the proportion of milk they supply the New York City metropolitan marketing area, following eight years of a declining trend, Commissioner Ten Eyck of the New York Department of Agriculture and Markets announced this week.

The proportion declined continuously from 1927 to 1935, but during the first nine months of 1936 New York supplied 63.4 percent of all of the milk received in the New York metropolitan market. The proportion for the corresponding period in 1935 was 62.1 percent.

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NEW YORK REPORTS ON FARM LABOR RETURNS

New York cost-account farmers earned more money for each hour in 1935 than in 1934 with cabbage, canning-factory peas, canning-factory tomatoes, and potatoes, but less with sweet corn and dry beans, the New York College of Agriculture reported this week. Returns for each hour's labor in 1935, as compared with 1934, follow: cabbage, 42 cents in 1935, 5 cents in 1934; canning-factory peas, 54 cents as compared with a loss of 81 cents; canning-factory tomatoes, 37 cents instead of 33 cents; potatoes, 52 cents compared with a loss of 8 cents; sweet corn, 21 cents against 42 cents; dry beans, a loss of 4 cents compared with a gain of 44 cents. The figures are based upon cost-accounts kept by 95 farmers in 34 counties.

MICHIGAN REPORTS FARM
EARNINGS BEST SINCE 1929

Announcing its "1935 Annual Farm Business Report", the Michigan Extension Service reported this week that "from the standpoint of farm earnings, 1935 was the best year for the cooperating Michigan farmers since 1929, when the extension project in farm accounting was first started." The report is based upon farm business records for 933 Michigan farms.

"The total cash income a farm," it was stated, "increased for the third successive year since the low point reached in 1932. For 1935 the cash receipts totalled \$2,826 a farm as compared with \$1,805 for 1932. Cash receipts were still below the 1929 and 1930 levels, however.

"Cash expenditures also increased. For 1935 the average cash outlay for operating, maintaining, or improving the farm was \$1,668, an increase of \$344 over the average total business expenses for the previous year. Most of the increased outlay of cash was for items of an investment nature and was reflected in increased inventories. The average farm had a net cash income of \$1,158. The average operator earned 7.66 percent interest on an investment of \$12,510 after covering all charges including hired man wages for himself."

The detailed report may be obtained from Michigan State College, East Lansing, Mich.

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ILLINOIS HAS NO NEED
FOR SEED CORN LOANS

Illinois College of Agriculture recently announced that as harvest of the 1936 corn crop progresses and drought states find more corn suitable for seed than was at first anticipated, it is probable that not many Illinois farmers will need to take advantage of the emergency Federal seed-corn loan program.

"The seed-corn loan program," it was stated by the College, "was designed to assure farmers in drought and grasshopper stricken areas that adequate supplies of corn will be available for planting next spring. Developments in Missouri, Nebraska, and Kansas indicate that these states will have to import much smaller quantities of seed-corn than they thought.

"However, it is possible that some farmers in drought areas may be in the market for Krug or Reid Yellow Dent from northern and north central Illinois. Ample supplies of seed are available in parts of Missouri. To facilitate the movement of seed corn to drought areas where it is in demand, the College has compiled a list of Illinois farmers who have good seed which has been carefully handled."

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MIMEOGRAPHED REPORTS recently issued by the Bureau of Agricultural Economics include "Marketing Imperial Valley Lettuce, 1936 Season"; "Tables of Refrigerated Space as of October 1, 1935"; "Marketing Colorado, Nebraska and Wyoming Potatoes, 1935-36 Season"; "Car-Lot Shipments of Fruits and Vegetables, 1935"; and "Grade and Staple Length of Cotton Produced in Louisiana, 1928-34."

THE WEEK IN BRIEF

WORLD CONSUMPTION of all kinds of cotton may be as large or larger during the 1936-37 season than last season, said the Bureau of Agricultural Economics. The brightest part of the world outlook, it was stated, is the very high degree of activity which characterizes the domestic textile industry.

FLOWER SEEDS offered for sale within New York State will be subject, beginning January 1, to the same control as now applies to field and vegetable seeds, reported New York Experiment Station.

PROMULGATION of official standard grades for Burley tobacco, type 31, was announced by the Bureau of Agricultural Economics. The grades follow substantially the tentative Burley grades which have been used by the Bureau for several years.

THE GENERAL INDEX of prices received by farmers for their products declined 1 point during the month ended November 15, said the Bureau of Agricultural Economics. The price index in mid-November stood at 120, or 12 points higher than a year ago.

RESUMPTION IN FRANCE of the system of conditional admissions of foreign wheat, officially terminated on August 15, 1936, was authorized by a decree of October 29, 1936. Any miller or dealer who desires to mill or purchase foreign wheat for consumption in France must first submit evidence of having exported domestic wheat or wheat products in quantities fixed by the National Wheat Board.

WHEAT PRICES are expected to remain at high levels throughout the winter months, said the Bureau of Agricultural Economics. It is expected that the marketing of new wheat from the Southern Hemisphere will have but little depressing influence, especially on domestic prices.

BRITISH BREWERS this season will require about 190,000 long tons of imported malting barley, the Bureau of Agricultural Economics announced. Imports of California barley have been at a high level in recent months despite prices higher than those for Chilean and Australian barley of the nearest comparable malting quality.

FARMERS' COOPERATIVE PURCHASING of supplies reached the highest levels on record in the 1935-36 marketing season, amounting to \$309,000-000, said the Farm Credit Administration. The increase over 1934-35 was about 25 percent.

A STRONG MARKET FOR WOOL, with the possibility of some further advance in prices during the next few months, is probable, said the Bureau of Agricultural Economics. A strong demand for wool in most of the important consuming countries was reported. Wool prices in domestic and foreign markets advanced sharply in October and early November.

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December 9, 1936

CONSERVATION PROGRAM ANNOUNCED FOR 1937

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U. S. Department of Agriculture

Details of the 1937 Agricultural Conservation Program which provides for expenditures of \$500,000,000 under the Soil Conservation and Domestic Allotment Act were announced this week by Secretary Wallace.

A limit on corn acreage was announced, on farms in those parts of the North Central Region and Kansas where corn is the major crop, "to prevent increases which might not only defeat the effort to conserve the soil, but with normal yields result in surpluses which would greatly reduce prices."

The conservation program continues the plan of establishing soil depleting bases for farms, as a yardstick to measure diversion from soil depleting to soil conserving crops.

Payments will be made for shifts from general depleting crops and cotton, tobacco, and peanuts, and payments to sugar and rice producers who participate in the program.

Crops will be classified as soil conserving and soil depleting in much the same manner as in 1936. The regional set-up for administration of the program will be virtually the same as for 1936.

Administrative expenses of all County Agricultural Conservation Associations will be deducted from the payments to farmers in their respective counties.

The range program, which applied last year only to Western Region states, will be extended to include range lands in western parts of the Southern and North Central Region regions.

The allowance which growers of vegetables and fruits can earn through soil building practices will be increased.

Any producer, however small his farm, will have opportunity to earn at least \$20. The minimum allowance in the 1936 program was \$10.

Producers with sizeable acreages in permanent pasture will be given an opportunity for additional participation in the program.

Flax will be included in the general soil depleting base.

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FARM FAMILIES TO HAVE MORE MONEY TO SPEND

Farm families will have more money to distribute among items of family living in 1937, it is stated in "The Farm Outlook for 1937" issued by the Bureau of Agricultural Economics.

Gross cash income to farmers in 1936 is estimated to be about 10 percent more than in 1935, and a further increase is expected in 1937. A large part of the increase will be spent for farm equipment,

farm buildings, and livestock for replenishing herds, it is stated.

The increase in income in 1936 varies considerably for different areas, the report points out. The West North Central States, despite the drought, show a 21 percent gain in the first 8 months of 1936 over the corresponding period of 1935. But the South Central States had a 2 percent decrease. All other areas show increases ranging from 10 to 17 percent.

Farm costs are expected to go up next year, but are expected to increase less than the increase in gross cash income. The bureau expects that much of the increased cash in 1937 will be spent for items which were curtailed during the depression - household furnishings, home repairs, medical care, clothing, and food.

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LOUISIANA SCHOOL TEACHES FARM MARKETING METHODS

A five-day training school to teach farmers and shippers better marketing methods by demonstrating the proper grading and packing of Louisiana fruits and vegetables will be held at Louisiana State University, January 25-30.

There will be discussions covering market requirements and ways to prepare products to meet these demands. State and Federal laws relative to farm shipping will be explained. At the end of the course an examination will be given persons wishing to qualify as shipping point inspectors.

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NEW HAMPSHIRE SAYS MILK SITUATION "CRITICAL"

"Another crisis is facing the milk market and prices are at the edge of the precipice about ready to drop to lower levels and the stabilizing factors lost in a maze of chaos," it was announced this week by New Hampshire Department of Agriculture

The Department said "it appears now that the action of individual dairymen to gain a few cents temporarily will be the direct cause of pushing the prices over the edge."

Continuing, the Department said "it is difficult to believe that the reasons set forth by the large distributors, namely, that of getting a few more cents per hundredweight for producers, is the ultimate object of the action which was so nicely timed to the withdrawal period from the New England Milk Producers' Association.

"It appears from present knowledge that either the disrupting of the cooperative movement or else an arrangement where it will make it difficult, if not impossible, to provide Federal intervention over the Boston milk market is the objective rather than the obtaining of a few more cents per hundredweight for producers.

"The records of most distributors for the past show no evidence that their prime motive is the welfare of the producer.***Dairymen should not be misled by the bait being served them to withdraw their membership and support from their marketing organization."

ASSOCIATION SAYS TURKEY
GRADING RAISES PRICES

Government grading in the marketing of turkeys is not only a means of paying each grower the true value for his product but it has been an important factor in establishing our price well above those of the wholesale trade, according to Russel Rathbone of the Washington Cooperative Egg and Poultry Association.

"This form of grading enlists the confidence of more retailers every year," Mr. Rathbone said. "The consumer recognizes the extra value as he does in buying other products on a graded basis he is assured satisfaction at all times. Government grading of turkeys is just another step in evaluating agricultural products as they are delivered from the farm and placed in distributing channels for the benefit of the farmer, the distributor, the retailer and the consumer."

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PENNSYLVANIA GRADING
LAWS STRICTLY ENFORCED

Pennsylvania Bureau of Markets announced this week that it intends to enforce strictly the State laws regulating the grading of fruits and vegetables, and that it will revoke the licenses of violators as well as prosecute them in criminal courts.

Acting Director James L. States of the Bureau, said that the grading of Pennsylvania grown fruits and vegetables has been so beneficial to growers, merchants and consumers that the Bureau will vigorously maintain the standards of the official grades. With the exception of grapes, grading is voluntary on the part of producers or sellers.

The Bureau announced that about 300,000 bushels of Pennsylvania-grown potatoes have been graded and bagged by 200 graders in connection with the marketing program of the Pennsylvania Cooperative Potato Growers' Association.

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CHRISTMAS TREES A
FARM CASH CROP

Farmers in a number of eastern States are reported to have started Christmas tree plantations in recent years. The States include Ohio, Pennsylvania, New York, New Jersey, and West Virginia. A report from New Jersey Extension Service states that although New Jersey's plantations supply a relatively small part of the Christmas trees marketed in New Jersey, many local growers report an increased number of trees of saleable size this year.

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MARKETING AGREEMENT
ON APPLES TERMINATED

Termination of the marketing agreement and license for handlers of California Gravenstein apples was recently announced by the Agricultural Adjustment Administration. The agreement and license went into effect in August 1934; it has been terminated since the amendments to the Agricultural Adjustment Act specifically exclude apples from provisions of the Act which relate to the issuance of orders.

THE WEEK IN BRIEF

WORLD SUPPLIES of beef and veal during 1937 will be somewhat less than in 1936 with prices continuing on the upward trend, said the Bureau of Agricultural Economics. Reductions in the number of cattle below 1934 and 1935 levels are indicated in most of the important commercial producing countries.

A CONTINUED FAVORABLE PRICE for the 1936 Illinois soybean crop is indicated by present conditions, declared L. J. Norton, Illinois College of Agriculture. The crop is expected to yield 17,600,000 bushels. The food industry has been making extensive use of soybean oil during the last two years.

UNITED STATES STANDARDS for cucumbers for pickling were announced by the Bureau of Agricultural Economics. The standards - Nos. 1, 2, 3, and Culls - provide a basis for sampling as the cucumbers are delivered to plants.

THE AVERAGE VALUE of farm real estate in Illinois is 7 percent higher than last year and 20 percent higher than in 1933, said C. L. Stewart, Illinois College of Agriculture. The increase in voluntary transfers of farms in Illinois and in the Nation last year was reported the largest recorded since the beginning of the upward trend four years ago.

MARKETING AGREEMENTS were tentatively approved, covering Utah and Colorado onions, by the Agricultural Adjustment Administration. The programs seek to enable the industry to adjust shipments of onions to market according to grade and size by variety, in keeping with market requirements.

CHINESE WHEAT has been imperilled by drought, said the Bureau of Agricultural Economics. Drought delayed sowing in practically all producing areas, and the area sown in many regions was reduced. In some important producing areas the wheat has failed to sprout.

"COST OF PRODUCTION OF CITRUS FRUITS" and "Cost of Production of Tomatoes" are the titles of mimeographed reports issued by the Bureau of Agricultural Economics. The report on tomatoes is based upon studies in 20 States covering the period 1913-34; the report on citrus fruits is based upon studies in California and Florida, 1917-35.

LOUISIANA LIVESTOCK GROWERS are being urged to expand production, by Louisiana Extension Service. There is a good local market awaiting producers, it was stated this week, in view of the fact that the consumption of meat products in New Orleans is much larger than the output of the local abattoirs.

BURLEY TOBACCO MARKETS opened on December 7 with smoking grades higher-priced, said the Bureau of Agricultural Economics. Prices on smoking grades ranged from \$5 to \$10 per hundred pounds above prices a year ago, and \$10 to \$15 above 1934 averages.

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U. S. Department of Agriculture

Vol. 16, No. 51

December 16, 1936

BLACK SEES NEED FOR FARM STABILITY

Although the agricultural outlook for 1937 is "favorable", Dr. A. G. Black, Chief of the Bureau of Agricultural Economics, in his annual report to Secretary Wallace, asked "that the outlook for agriculture be not judged in terms of a single year, since there are fundamental weaknesses in the position of agriculture that still require vigilance - and action."

Dr. Black reported about a 10 percent increase in total cash income from marketings and government payments in 1936 compared with 1935, but said that drought "reduced drastically and even wiped out in many cases the very limited resources of many farmers," a situation which "has emphasized the need for measures that will contribute to the security and stability of farm income."

A major factor in the situation detailed by Dr. Black is "an agricultural plant that, in years of average weather, can produce considerably in excess of existing market demands, even allowing for considerable advance in domestic demand." He cited as a problem which the Nation must be prepared to meet, the disposal of surpluses that "we have reason to expect in future years with the return of normal weather."

Dr. Black added that "in view of the very sharp swings of the pendulums of production and prices in American agriculture, and of our great capacity to produce, we must move toward the storage of excess products in years of plenty, that they may be carried over and made available in years of scarcity."

Other features of the report dealt with conservation, agricultural adjustment, regional programs, soil conservation, land planning, rural zoning, crop insurance, the farm real estate situation, rural life, marketing and distribution, bureau services and related research, outlook reports, crop and livestock estimating, statistical research, standardization and inspection, market news, and technological research.

Declaring that agricultural adjustment is the keynote of the Bureau's work in farm management, Dr. Black said that "new undertakings and work on older projects have been geared to the general objective of determining what adjustments are needed to prevent soil erosion and to build up and preserve the productivity of the soil in farms. Ways have been sought to bring these objectives into line with efficiency in production and with the effective organization and management of farms."

The Bureau of Agricultural Economics has for distribution a limited number of copies of the report; copies may be obtained also, at 5 cents each, from the Superintendent of Documents, Washington, D.C.

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FARM TENANCY COMMITTEE
TO HOLD REGIONAL MEETINGS

Regional hearings to gather additional facts and suggestions for solutions of tenancy problems will be held soon by a sub-committee of the President's Committee on Farm Tenancy which met in Washington this week for general discussions. The major committee is under the chairmanship of Secretary Wallace; the sub-committee is headed by Dr. L. C. Gray, Assistant Administrator, Resettlement Administration.

Other members of the sub-committee, which has been directed also to prepare a first draft of the report and recommendations for consideration early in January by the full committee, are: Dr. W. W. Alexander, Assistant Administrator, Resettlement Administration; Dr. A. G. Black, Chief, Bureau of Agricultural Economics; Charles S. Johnson, Fisk University, Nashville, Tenn.; Lowry Nelson, Director, Utah State Experiment Station, Logan Utah; and M. W. Thatcher, Washington representative, Farmers' National Grain Corporation.

The Bureau of Agricultural Economics has prepared for the use of the committee and of other persons interested in the farm tenancy problem, a "Graphic Summary of Farm Tenure", which depicts by means of charts, graphs, and text how "farmers are gradually losing ownership of the land."

The Bureau reports that "owner-operated farms outnumber tenant farms, and owner-operated farm acreage exceeds tenant-operated farm acreage, but the general trend has been toward tenancy, with a lessening ratio of equity in farm real estate held by farm operators." The proportion of farms operated by tenants has increased from 35 percent in 1900, 37 percent in 1910 and 38 percent in 1920, to 42 percent in 1930 and in 1935.

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CALIFORNIA GROWERS
HOLD RECORD MEETING

A record attendance was reported from California this week at the 69th convention of California Fruit Growers and Farmers. California Director of Agriculture A. A. Brock told the gathering that California producers would gross about \$600,000,000 in 1936, which he said represented "one of the best years for agriculture in the history of the State."

Other speakers included C. W. Kitchen, Assistant Chief, Bureau of Agricultural Economics, who described the market news, standardization, inspection and other work of that Bureau. Mr. Kitchen said that although "all farmers are not equally fortunate, the buying power of the net income of farmers as a group is the highest in seventeen years."

Mr. Kitchen cited marked economic gains in other directions, "a reduction in farm mortgage debt with the lowest interest rates on long-term loans in our history, a rise of about 12 percent in farm real estate values since the depression low, fewer foreclosures, and more voluntary transfers of farm real estate."

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"STATISTICS Relating to International Trade in Cotton and Linters, 1921-35" is the title of a mimeographed report now obtainable from the Bureau of Agricultural Economics, Washington, D. C.

BUREAU REPORTS ON
PHILADELPHIA MARKET STUDY

Ways of improving the wholesale and jobbing markets for fruits and vegetables in Philadelphia, including changes in physical facilities, organization, and practices, were suggested in a report issued this week by the Bureau of Agricultural Economics in cooperation with the Pennsylvania State College and the New Jersey College of Agriculture.

Although the report is confined to an analysis of the Philadelphia "split market", it points out that improvement of wholesale and jobbing markets of the larger cities offers "one of the greatest possibilities for reducing the cost of distributing fruits and vegetables from producers to consumers."

"Many of the difficulties in the Philadelphia market are due," the report said, "to the fact that there are too many markets, all attempting to perform the same functions. Wholesaling is carried on at the two railroad produce terminals and on the Dock and Callowhill Street markets."

The Federal and State agencies making the study suggested that "sales of fruits and vegetables in wholesale quantities should be consolidated in one location, either near the present jobbing markets at Dock Street or Callowhill Street or near the railroad terminals."

Copies of the report are obtainable from the Bureau of Agricultural Economics, Washington, D.C.

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LOOKING AHEAD ON
AGRICULTURAL POLICY

An analysis of economic and social factors basic to agricultural production adjustment policies in future years was made this week in a special report by the Bureau of Agricultural Economics entitled "Looking Ahead on Agricultural Policy". The report was prepared by the Bureau with the assistance of staff members of the Agricultural Adjustment Administration, the Soil Conservation Service, and the Resettlement Administration.

The report states that from the standpoint of the well-being of farmers "a return to production levels of 1928-32 is not now and does not appear justified in the immediate future." It was noted, however, that "there is a level below which it is not in the interest of society or the farmers themselves to reduce agricultural production."

The report indicates, among other things, that a shift from harvested crops to other uses equivalent to 15 million to 25 million acres at average yields as a minimum and of 35 million to 50 million acres as a maximum appears necessary as compared with acreages which prevailed in 1928-32. The average harvested crop acreage for 1928-32 was 365 million acres.

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TWENTY THOUSAND New York farmers are scheduled to take a farm inventory during the week of January 4 to 9, according to New York College of Agriculture, which began this work in the early 1920's.

THE WEEK IN BRIEF

CONSUMER MEAT-GRADING REGULATIONS were announced this week by the Bureau of Agricultural Economics. The Bureau has been grading meats since 1926. During the past year, more than 420,000,000 pounds of beef, pork, lamb, mutton, and sausage products were graded and stamped.

AGREEMENT was reached between the Secretary of Agriculture and the Indiana Milk Control Board on Federal-State cooperation in the development and administration of orders applicable to the handlers of milk in marketing areas of the State which derive part of their milk supply outside the State.

CALIFORNIA Department of Agriculture announced a stabilization and marketing plan for marketing fluid milk for the Santa Barbara marketing area. Producers are to be paid 70 cents per pound milk fat for fluid milk used by distributors as whole milk and fluid milk used to produce cream for sale as Grade A cream.

A STRONG MARKET FOR HOGS during the winter was predicted by the Bureau of Agricultural Economics. The low point in fall hog prices was reached in late October this year. Prices were strong in November and early December despite large slaughter supplies.

GAINS IN CASH RECEIPTS from the sale of principal farm products during October over those of October last year were reported for each of the six major regions of the United States, by the Bureau of Agricultural Economics. The largest gain was 15 percent in the East North Central States. The gain was 12 percent in the South Central States, and 6 to 9 percent in the other four regions.

COLD STORAGE HOLDINGS of frozen fresh vegetables will be reported monthly by the Bureau of Agricultural Economics beginning January 1, 1937. The foods are peas, cut beans, lima beans, corn-on-the-cob, and spinach. The Bureau also will report separately on strawberries, blueberries, and cherries.

SHORT FEED SUPPLIES, an increased demand for milk, and more cows feature the outlook for New York dairymen in 1937, reported New York College of Agriculture. The outlook was said to be similar to that of 1934-35.

"TURKEY WORLD", commenting editorially on the turkey production report of the Bureau of Agricultural Economics, said: "At the time the government report appeared, many buyers throughout the country were talking of a turkey crop twice as large as a year ago" as compared with the increase of one-third reported by the Bureau. "We believe that as long as the government forecasters had what they considered a reasonably accurate forecast, it was the proper thing to release it for the information of everyone concerned."

THE GENERAL LEVEL of prices of farm products rose substantially during the last month, reported the Bureau of Agricultural Economics. Higher prices were noted for wheat, potatoes, hogs, cattle, wool and cotton.

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A REVIEW OF CURRENT SERVICE, RESEARCH AND RELATED PROJECTS ISSUED WEEKLY BY THE BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

December 23, 1936

Vol. 16, No. 52

WHEAT CROP INSURANCERECOMMENDED BY COMMITTEE

Wheat crop insurance covering the 1938 crop was recommended this week to the President by the special committee appointed on September 19 to study crop insurance. The committee's report consists of a discussion of the economic and social background for crop insurance, an examination of questions of public policy involved, a plan for crop insurance, and a condensed statement of the committee's recommendations which follow:

1. That a plan of crop insurance for wheat be recommended to Congress for consideration at an early date so that it may be put into effect on the 1938 crop.
2. That administration of any crop insurance program be a function of the Department of Agriculture, coordinated and integrated with other programs and functions of that Department.
3. That in view of the public interest in crop insurance, including a greater degree of stability of supplies and income, and reducing prospective special measures of relief to distressed areas, the costs of storage should be borne by the Government, together with all overhead costs of administration. Adequate funds should be made available to the administering agency to meet requirements for overhead administrative expenses, the purchase and handling of commodities necessary to initiate the program, and reserves adequate to meet extraordinary needs such as might arise out of a series of low yields during the early years of operation of the program.
4. That any proposed legislation provide for insurance of crop yields only without insurance of price, employing the farmer's own average yield as determined from a representative base period as the basis of insurance coverage, insurance of only a designated percentage of the producer's average yield, determination of premiums on the basis of individual and regional loss experience, payment of premiums and indemnities in kind or cash equivalent, holding insurance reserves in the form of the stored commodity for which the insurance is written, writing of insurance, adjustment of losses, and general local administration through local commodities or boards of directors.
5. That the premiums charged the insured be such as actuarial studies and accumulated experience indicate are necessary to cover crop losses for a period of years.
6. That the administering organization be authorized to require

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a minimum amount of participation in the crop insurance programs from counties or regions before the insurance will be sold therein.

7. That storage of wheat reserves for insurance purposes shall be made in Federally bonded warehouses or State-licensed warehouses that satisfactorily meet requirements or in other ways that will adequately protect the interests of the Government and the farmers insured.

8. That crop insurance research be continued by the Department of Agriculture in order to facilitate administration of any crop insurance program that may be instituted.

Secretary Henry A. Wallace is Chairman of the President's Committee on Crop Insurance. Other members are Wayne C. Taylor, Assistant Secretary of Treasury; Earnest G. Draper, Assistant Secretary of Commerce; H. R. Tolley, Administrator, Agricultural Adjustment Administration; and A. G. Black, Chief, Bureau of Agricultural Economics, Vice-Chairman.

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CALIFORNIA SEES MIXED OUTLOOK FOR FARMERS

Mixed conditions in both prices and volume are in prospect for California's livestock and field crops for 1937 and thereafter, it was stated this week by the University of California. The outlook was prepared by the Extension Service in cooperation with the Giannini Foundation.

Headlines from the report are that the beef outlook is good, dairy prices are firm, the hog market is steady, "sheep numbers drop", "potato drop likely", "tomato trend up", the bean supply is average, sugar is "due for rise", "barley may drop", more wheat is "likely", there is a "big rice surplus", hay prices are strong, cotton future is "good", honey prices are up, the flaxseed crop is short.

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FARM INCOME UP BILLION DOLLARS OVER LAST YEAR

The gross income from agricultural production for 1936 will be about \$9,530,000,000 the Bureau of Agricultural Economics reported this week in its preliminary year-end estimate of income. This figure is 12 percent larger than the 1935 income of \$8,508,000,000, and it compares with \$7,276,000,000 in 1934, and with \$5,337,000,000 in 1932, the low point of the depression. The figures include the gross income from products sold or to be sold, the estimated value of products consumed by farm families and all agricultural adjustment payments.

Cash income from 1936 products sold or to be sold was estimated at about \$8,100,000,000 compared with \$7,201,000,000 in 1935, and \$4,377,000,000 in 1932. These figures represent cash sales and do not include any value of products used on farms.

The 1936 income available for farmers' labor, capital, and management was estimated at \$5,300,000,000, a figure which was arrived at by deducting from the gross income the estimated expenditures of about \$4,230,000,000 for goods used in production, wages, interest, taxes and rent, as well as an allowance for depreciation on buildings and equipment. The comparable figure for 1935 was \$4,538,000,000.

MILK WEIGHT SHORTAGES
DRAW OFFICIAL FIRE

New York Department of Agriculture reported this week that its inspectors have uncovered a number of additional situations where milk plant operators "short-weigh" milk delivered by farmers to milk plants. The Department has been investigating this situation for nearly three months. Officials said that re-checks have disclosed that representatives of plants where discrepancies were found on first investigations have failed to keep their promise to have milk scales corrected.

The Agriculture and Markets Law in New York provides that all purchasers of milk must account for and make proper payment for all milk received. Failure to credit each producer with accurate weight of milk delivered to a plant is deemed to constitute a "serious violation".

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MISSISSIPPI NOW A
"PROSPEROUS" FARM STATE

Commissioner Holton of the Mississippi Department of Agriculture said this week that "as the year 1936 draws to a close, agricultural Mississippi becomes more firmly established among the prosperous States of the American Union."

"In 1932," he said, "the total income of the more than 300,000 farmers in Mississippi was approximately 100 million dollars, or an average of a little more than \$300. In 1934, it was approximately 200 million dollars, or a little under \$700 per farm. In 1936, it was more than 300 million dollars, or an average per farm of \$1,000.

"This, to my mind," the Commissioner concluded, "is the best news of the year."

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NEW YORK STUDIES
INCOMES FROM PRODUCTS

Over a period of years, poultry, fruits, vegetables, and dairy cows have paid relatively well in New York State, but grain crops have given low returns, reported New York College of Agriculture, this week. The economists said, therefore, that "farmers who grow small grains in 1937 should give special attention to practices that will save labor and increase yields.

The College reported a "somewhat favorable outlook for fresh market vegetables and canning crops," but suggested that incomes of fruit growers will be influenced by the production of citrus fruits, cherries, and pears, which are expected to continue to increase in production. New York farmers were advised to produce bulky and perishable products such as milk, eggs, apples, potatoes, and cabbage, "since New York farmers are near to markets".

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PENNSYLVANIA REVISES
FARM PRODUCTS GRADES

Revised standards for the grading of apples, potatoes, canning crops and other fruits and vegetables grown and packed in Pennsylvania have

been published by Pennsylvania Bureau of Markets in the 1937 edition of "Official Grades for Fruits and Vegetables in Pennsylvania." The booklet also contains the State marketing laws, a table of legal weights per bushel of agricultural commodities and other information. Copies are obtainable from Pennsylvania Department of Agriculture, Harrisburg.

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TENNANCY COMMITTEE TO HOLD REGIONAL HEARINGS

Five regional hearings will be held early in January by the President's Committee on Farm Tenancy, it was announced this week by Secretary Wallace, Chairman of the Committee. Hearings will be held at Dallas, Texas, January 4; Montgomery, Alabama, January 6; Indianapolis, Indiana, January 7; Lincoln, Nebraska, January 9; San Francisco, California, January 12.

Secretary Wallace said that all persons and organizations interested would be welcome at these public hearings for a complete discussion of tenancy problems. The hearings will deal especially with the situation in the Cotton Belt, Corn Belt, and Great Plains area, where farm tenancy is said to have assumed "serious proportions". In most of the states in these regions there is a higher than average percentage of farms operated by tenants.

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NEWS BRIEFS OF THE WEEK

FARMERS' INCOME from the sale of their products in November was \$731,000,000 compared with \$882,000,000 in October and \$669,000,000 in November a year ago, the Bureau of Agricultural Economics reported. The decline from October to November was said to be about in line with the usual decrease at this season.

A SHARP DECLINE in milk production during the past month, and the probability that prices for dairy products will be well sustained through the winter, were reported by the Bureau of Agricultural Economics. Milk production on December 1 was about 1 percent above that of December 1 a year ago, and about the same as in the drought year 1934.

LAYING FLOCKS of farm poultry are about 3 to 4 percent larger in size than a year ago, according to the Bureau of Agricultural Economics. Hens were reported to be laying slightly fewer eggs, however, so that total egg production at the beginning of December was about the same as a year ago.

HOLDING of a New York State Foods Exposition at Syracuse, January 6, 7 and 8 was announced by New York Department of Agriculture. The exposition represents a cooperative effort among various organizations to acquaint consumers with New York farm-produced foods.

PENNSYLVANIA Department of Agriculture reported that it recently condemned 250,000 eggs which had been in two cold storage warehouses in Pennsylvania for more than a year. The eggs were trucked into other States with an escort of State agents "to make certain they were not sold within Pennsylvania."

MARKETING ACTIVITIES

AND OTHER ECONOMIC WORK

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U. S. Department of Agriculture

Vol. 16, No. 53

December 30, 1936

FARM CREDIT NEEDSEXPECTED TO INCREASE

Continued increase in new agricultural financing and greater importance of cooperative credit institutions, in 1937, were forecast this week by Governor W. I. Myers of the Farm Credit Administration.

The 1936 business of the FCA, he said, was featured by upturns in cooperative cash financing of crop production, more financing of farm purchases, and a larger credit volume with farmers' cooperative marketing and purchasing associations. Loans by the 550 production credit associations totaled \$225,000,000 compared with \$196,000,000 in 1935.

Farmers apparently spent more money for equipment, machinery, farm buildings and repairs in 1936 than in any year since the beginning of the depression, the Governor said. There was a continued decrease in emergency refinancing and less pressure by creditors for liquidation.

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SEED DEALERS TO MEETAT NEW BRUNSWICK, N. J.

Eight hundred wholesale and retail seed dealers will meet at New Brunswick, N. J., January 8, in conference with New Jersey Extension officials on seed production, buying, and selling problems.

Topics scheduled for discussion include the certification of tomato seed, recommended varieties of field crops, the production of improved corn seed, and the testing of crop seed at the State Seed Laboratory.

Walter A. Davidson of the Federal Bureau of Plant Industry declared in a recent statement that the Federal Seed Act was intended to supplement State seed laws, but that "experience has shown that some seed dealers have a way of side-stepping the State label requirements."

Davidson reported that records of the seed investigation division reveal examples of seed branded as sorgo for syrup production, that was actually grain sorghum; allegedly late-maturing soybeans that were planted for hay, only to produce stunted, early-maturing plants; so-called Abruzzi rye which showed farmers by mid-winter that they had a "creeping" rye; oat seed bought at high prices as a new variety of winter-hardy oats and which died at the first frost; and many another example in which "the farmer not only was defrauded of the price of the seed, but also lost the potential income from the crop."

OHIO HAS FARM FOREST TAX RELIEF PROGRAM

A new approach to the relief of taxation on farm forests has been made in Seneca County, Ohio. The plan provides that any land owner who desires to promote productive forest growth either by planting or by protecting it from grazing and uneconomical cutting, may have such land exempt from taxation up to 10 percent of the farm's total acreage, but not less than three acres.

The owner must establish a satisfactory stand of trees on the area, protect it from livestock and fire, and continue this policy at all times. When the timber reaches maturity it may be cut and sold but the growing stock must be maintained. The county assessor recommends the exemptions to the county auditor who is responsible for inspection of the areas to see that they are satisfactorily managed.

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FARMERS FACE 'TIGHT' FEED SITUATION

Farmers are faced with a somewhat critical feeding situation, similar to that of 1934, says the Bureau of Agricultural Economics in its December summary of the feed situation. It is again necessary for feeders to reduce livestock numbers, especially hogs, and to curtail feeding operations.

Unless the winter is unusually severe, however, the domestic feeding situation will be less critical than two years ago, according to the Bureau. Domestic forage supplies are much larger and grain supplies slightly larger. Imports of grain are expected to exceed those of 1934-35.

Feed grain prices, it is expected, will remain high until the prospects for the 1937 crop materially influence current prices.

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NEW YORK CANNING CROPS PROFITABLE

Canning crops in New York State will continue to be relatively profitable although wide variations in returns are likely to continue, said New York College of Agriculture, this week.

New York was reported producing "normally" about 10 percent of the total pack of canned vegetables. Acreage of these crops has increased in New York at about the same rate as in all the United States.

"Wholesale prices of canned vegetables in 1936-37," said the College, "are likely to continue above those of the 1935-36 season because of some improvement in the buying power of consumers and because of a supply of canned vegetables below that of 1935-36."

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"REFERENCES on Economic History as a Field of Research and Study" is the title of a bibliography now obtainable from the Bureau of Agricultural Economics, Washington, D. C. It was prepared by Everett E. Edwards, agricultural economist, with the assistance of Horace H. Russell.

BUREAU AGENCY SURVEYS
WINTER FEED SUPPLY

A survey to find out the quantity, quality and location of the winter feed supply available to prospective buyers is being made by the Bureau of Agricultural Economics through its Livestock Feed Agency at Kansas City, Mo.

The Agency will list persons who may have feed to sell and those who may wish to buy feed. Information will be gathered also covering country elevators which have grain to ship.

The Livestock Feed Agency, which first operated following the drought of 1934, was set up by the Bureau again last summer to help bring together feed buyers and feed sellers. The Agency neither buys nor sells feed, but serves as a clearing house for information as to available supplies.

After the 1934 drought, the Agency found the greatest demand for feed supplies began about mid-January.

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PENNSYLVANIA EXPLAINS
CONTAINER REGULATIONS

Pennsylvania Department of Agriculture is cautioning farmers in Pennsylvania that potatoes, apples and other produce "when sold in standard Federal containers must be measured by volume and not by weight.

"When produce is sold in bags or in bulk," says the Department, "the legal weights per bushel for Pennsylvania constitute the required delivery, but when it is sold in Federal containers, such as the bushel, half bushel or quarter bushel basket, legal delivery is made when the basket is level full, regardless of the weight."

Pennsylvania Director of Markets James L. States, says that "while the legal weight of a bushel of apples is 45 pounds, a bushel in a Federal container may vary in weight from 40 to 50 pounds depending upon the variety of apples." The standard Federal bushel contains 2150.42 cubic inches.

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WORLD WHEAT PRODUCTION
TREND MOVES UPWARD

A world trend towards larger wheat production in response to the lowest world wheat supply in ten years was noted this week by the Bureau of Agricultural Economics.

The United States has sown the largest acreage of winter wheat on record - more than 57,000,000 acres. Canadian fall wheat seedings total 702,000 acres compared with 585,000 acres in 1935, an increase of 20 percent. Increased plantings are reported in the Danube countries, the British Isles, India, and the Soviet Union. World wheat prices are highest since 1928.

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ILLINOIS FARMERS bought about 20,000 tractors during the past year, according to Illinois College of Agriculture. It is estimated that there are now more than 108,000 tractors on Illinois farms.

CROP REPORTING DATES
ANNOUNCED FOR 1937

Dates for the issuance of seven cotton crop reports and twelve reports on general crops other than cotton, in 1937, have been announced by the Crop Reporting Board.

Cotton reports will be issued on May 21, July 8, August 9, September 8, October 8, November 8, and December 8. Dates for the issuance of other reports are January 11, March 19, April 9, May 10, June 10, July 9, August 10, September 10, October 11, November 10, December 17, and December 21.

A detailed schedule of the crops to be covered by the reports is obtainable from the Bureau of Agricultural Economics, Washington, D.C.

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FARM PRODUCTS PRICES
HIGHEST IN SIX YEARS

The highest farm price index in 6½ years was reported this week by the Bureau of Agricultural Economics - 126 as of December 15, 1936, compared with 110 on December 15, 1935, and with 131 in June of 1930.

Since mid-November there have been sharp upturns in prices of grains and tobacco. By December 15, the price of wheat was up 8 cents a bushel. Rye and potato prices each advanced about 8 cents a bushel during the period, tobacco was up 5 cents a pound, and cotton three-tenths of a cent a pound. Hogs gained 35 cents a hundred pounds. Price declines during the month were reported on rice, citrus fruits, poultry, and eggs.

The ratio of prices received by farmers to prices paid was 99 on December 15. A year ago it was 90.

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MASSACHUSETTS FARMERS
PROFIT BY RECORDS

Massachusetts State College says that many Massachusetts dairymen are increasing their net income by taking records on the whole farm business in addition to keeping production records. These records enable dairymen to spot and eliminate unprofitable practices, just as production records help them to discover unprofitable or "border" cows.

The starting point for farm records is an inventory of land, buildings, livestock, machinery and equipment, feeds, and supplies to be used. Farm receipts and expenses are recorded as they occur, and classified as they are entered.

The State and County extension services are waging a farm inventory campaign the first week in January.

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REPORTS currently obtainable from the Bureau of Agricultural Economics include the "Report and Recommendations of the President's Committee on Crop Insurance", "Marketing Northwest Apples - 1935-1936", and "Yields, Prices, Returns Per Acre, and Trend in Plantings of Important Varieties of Apples Grown in Selected Districts of Virginia, West Virginia, Maryland, Pennsylvania, and Delaware."



